

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

Interim Financial Statements

For the three-month and nine-month periods ended September 30, 2012

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 as at September 30, 2012, the consolidated and separate statements of comprehensive income for the three-month and nine-month periods ended September 30, 2012 and 2011; the consolidated and separate statements of changes in shareholders' equity, and cash flows for the nine-month periods ended September 30, 2012 and 2011, and condensed notes to financial statements of Rich Asia Steel Public Company Limited and its subsidiaries and of Rich Asia Steel Public Company Limited, respectively. The management is responsible for the preparation and 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.29, as I have ever presented a qualified review report to the consolidated financial statements for the three-month and six-month periods ended September 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 November 18, 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 nine-month periods ended September 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
November 13, 2012

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

		In Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		September	December	September	December
		30, 2012	31, 2011	30, 2012	31, 2011
		“Unaudited”		“Unaudited”	
Notes		“Reviewed”	“Audited”	“Reviewed”	“Audited”
ASSETS					
CURRENT ASSETS					
Cash and cash equivalents	8	32,242	14,421	27,392	14,103
Temporary investment	9	233	259	233	259
Trade accounts and notes receivable-other companies - net	10	1,656,413	1,322,776	1,363,450	1,019,829
Trade accounts receivable and other receivable - related companies	6	-	-	5,302	5,455
Short-term loans to subsidiary company	6	-	-	-	4,180
Inventories - net	11	662,437	407,972	512,858	295,961
Other current assets					
- Advance payment for goods	12	50,335	539,381	29,377	521,127
- Account receivable - revenue department		9,999	13,091	1,551	7,170
- Other receivable		25,787	7,738	18,254	1,340
- Others		8,710	6,267	2,619	3,263
Total Current Assets		2,446,156	2,311,905	1,961,036	1,872,687
NON- CURRENT ASSETS					
Investment in securities available for sale	13	172,744	-	172,744	-
Investment in subsidiary companies - net	14	-	-	1,089,914	1,199,191
Investment property - net	15	80,119	124,014	64,862	108,402
Property, plant and equipment - net	16	1,598,688	1,696,518	96,715	105,526
Other - non current assets					
- Other Account Receivable-Advance Payment for Goods - net	17	-	161,236	-	161,236
- Retention Receivable		11,453	11,784	-	-
- Others		9,387	12,336	405	1,709
Total non - current assets		1,872,391	2,005,888	1,424,640	1,576,064
TOTAL ASSETS		4,318,547	4,317,793	3,385,676	3,448,751

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

		In Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
		“Unaudited”		“Unaudited”	
		“Reviewed”	“Audited”	“Reviewed”	“Audited”
	Notes				
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Loans that due for repayment	19	1,031,358	745,720	1,031,358	745,720
Bank overdrafts and short-term loans from financial institutions	20	101,464	217,541	76,083	213,819
Trade accounts and notes payable - other companies		506,260	449,475	439,981	373,367
Trade accounts payable - related companies	6	55,463	8,647	16,507	10,226
Other payable - related companies	6	1,342	599	2,526	-
Current portion					
- Liabilities under finance lease agreement	22	808	775	731	698
- Liabilities under debt restructuring agreement	23	160,500	19,665	160,500	19,665
Short-term loans from other persons and companies	21	300,000	300,000	-	-
Short-term loans - subsidiary	6	-	-	30,831	-
Other current liabilities					
- Accrued interest		203,455	44,021	132,287	39,225
- Advance received for goods		9,419	40,679	9,419	82,733
- Accrued expenses		10,521	15,485	4,853	5,509
- Other		28,954	14,753	12,121	5,844
Total current liabilities		2,409,544	1,857,360	1,917,197	1,496,806
NON - CURRENT LIABILITIES					
Liabilities under finance lease agreement - net	22	748	1,358	649	1,202
Liabilities under debt restructuring agreement	23	577,061	840,691	577,061	840,691
Employee benefit obligations		4,221	3,852	1,550	1,335
Others non - current liabilities		81	81	-	-
Total non - current liabilities		582,111	845,982	579,260	843,228
TOTAL LIABILITIES		2,991,655	2,703,342	2,496,457	2,340,034
SHAREHOLDERS' EQUITY					
Share capital - common shares, Baht 1 par value	24				
Authorized share capital - 1,500,000,000 shares, Baht 1 par value in 2011					
Authorized share capital - 4,000,000,000 shares, Baht 1 par value in 2012		4,000,000	1,500,000	4,000,000	1,500,000
Issued and fully paid - up share capital - 1,002,913,226 shares					
Baht 1 par value	24	1,002,913	1,000,000	1,002,913	1,000,000
Premium on share capital		415,423	415,423	415,423	415,423
Discount on share capital	24	(1,457)	-	(1,457)	-
Deficit		(531,009)	(255,704)	(512,418)	(306,706)
Other component of equity		23,194	30,420	(15,242)	-
Total equity attributable to owners of the parent		909,064	1,190,139	889,219	1,108,717
Non - controlling interests		417,828	424,312	-	-
Total Shareholders' equity		1,326,892	1,614,451	889,219	1,108,717
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4,318,547	4,317,793	3,385,676	3,448,751

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

"UNAUDITED"

"REVIEWED"

Notes	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2012	2011	2012	2011
	Restated			
REVENUES				
Revenue from sale	508,954	981,258	340,285	824,395
Revenue from services	26,205	12,497	-	-
Gain on sales of fixed assets	2,579	-	9,593	18
Other incomes	4,497	4,316	2,875	2,730
Total Revenues	<u>542,235</u>	<u>998,071</u>	<u>352,753</u>	<u>827,143</u>
EXPENSES				
Cost of sales	533,353	989,210	349,171	811,897
Cost of services	30,972	13,236	-	-
Selling expenses	2,139	1,598	1,472	969
Administrative expenses	16,737	16,553	10,741	9,828
Loss on impairment of investment in subsidiary	14	-	23,613	-
Doubtful accounts (Reversal)	(31,765)	(3,000)	(31,678)	(3,000)
Management benefit expenses	6	2,469	2,469	2,653
Total Expenses	<u>553,905</u>	<u>1,020,250</u>	<u>355,788</u>	<u>822,347</u>
INCOME (LOSS) BEFORE FINANCE COST AND INCOME TAX	<u>(11,670)</u>	<u>(22,179)</u>	<u>(3,035)</u>	<u>4,796</u>
Finance costs	(112,312)	(40,663)	(91,857)	(28,899)
LOSS BEFORE INCOME TAX	<u>(123,982)</u>	<u>(62,842)</u>	<u>(94,892)</u>	<u>(24,103)</u>
Income tax	25	-	-	-
LOSS FOR THE PERIOD	<u>(123,982)</u>	<u>(62,842)</u>	<u>(94,892)</u>	<u>(24,103)</u>
Other comprehensive income (expense)				
Change in fair value of securities available for sale	(15,242)	-	(15,242)	-
TOTAL COMPREHENSIVE INCOME (EXPENSE) FOR THE PERIOD	<u>(139,224)</u>	<u>(62,842)</u>	<u>(110,134)</u>	<u>(24,103)</u>
Loss for the period attributable to :				
Owners of the parent	(103,060)	(57,144)	(94,892)	(24,103)
Non - controlling interests	(20,922)	(5,698)	-	-
	<u>(123,982)</u>	<u>(62,842)</u>	<u>(94,892)</u>	<u>(24,103)</u>
Total comprehensive income (expense) for the period attributable to :				
Owners of the parent	(118,302)	(57,144)	(110,134)	(24,103)
Non - controlling interests	(20,922)	(5,698)	-	-
	<u>(139,224)</u>	<u>(62,842)</u>	<u>(110,134)</u>	<u>(24,103)</u>
BASIC LOSS PER SHARE				
Owners of the parent (baht)	<u>(0.103)</u>	<u>(0.057)</u>	<u>(0.095)</u>	<u>(0.024)</u>

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

"UNAUDITED"

"REVIEWED"

In Thousand Baht				
	Consolidated financial statements		Separate financial statements	
Notes	2012	2011	2012	2011
	Restated			
14	2,263,957	2,975,866	1,687,425	2,628,589
	70,796	50,292	-	114
	-	12,215	-	12,215
	20,674	242	55,279	18
	-	-	5,329	-
	-	22,676	-	-
	12,868	10,286	7,109	6,964
	2,368,295	3,071,577	1,755,142	2,647,900
14	2,330,882	2,955,675	1,696,742	2,545,939
	76,083	48,436	-	37
	8,443	7,704	4,879	5,139
	52,617	51,991	33,096	32,428
	-	7,698	-	7,698
	-	-	57,613	-
	(29,765)	(10,099)	(31,677)	(9,000)
	7,653	9,003	7,653	9,003
6	2,445,913	3,070,408	1,768,306	2,591,244
	(77,618)	1,169	(13,164)	56,656
25	(253,148)	(137,005)	(192,548)	(115,046)
	(330,766)	(135,836)	(205,712)	(58,390)
	-	-	-	-
	(330,766)	(135,836)	(205,712)	(58,390)
	(15,242)	-	(15,242)	-
D	(346,008)	(135,836)	(220,954)	(58,390)
	(275,305)	(123,760)	(205,712)	(58,390)
	(55,461)	(12,076)	-	-
	(330,766)	(135,836)	(205,712)	(58,390)
	(290,547)	(123,760)	(220,954)	(58,390)
	(55,461)	(12,076)	-	-
	(346,008)	(135,836)	(220,954)	(58,390)
	(0.275)	(0.124)	(0.205)	(0.058)

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

"UNAUDITED"
"REVIEWED"

In Thousand Baht										
Consolidated financial statements										
Notes	Issued and fully paid - up share capital	Premium on share capital	Discount 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 (expense)					
					Excess from change in equity interest	Change in fair value of securities available for sale	Total Other component of equity			
Balance as at January 1, 2012	1,000,000	415,423	-	(255,704)	30,420	-	30,420	1,190,139	424,312	1,614,451
Adjust for change in equity interest in subsidiaries	-	-	-	-	179	-	179	179	(179)	-
Change in equity interest in subsidiaries	14	-	-	-	7,837	-	7,837	7,837	(7,837)	-
Increase in share capital	24	2,913	-	(1,457)	-	-	-	1,456	-	1,456
Non - controlling interests	-	-	-	-	-	-	-	-	56,993	56,993
Total comprehensive loss for the period	-	-	-	(275,305)	-	(15,242)	(15,242)	(290,547)	(55,461)	(346,008)
Balance as at September 30, 2012	<u>1,002,913</u>	<u>415,423</u>	<u>(1,457)</u>	<u>(531,009)</u>	<u>38,436</u>	<u>(15,242)</u>	<u>23,194</u>	<u>909,064</u>	<u>417,828</u>	<u>1,326,892</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)	-	-	-	(123,760)	-	-	-	(123,760)	(12,076)	(135,836)
Balance as at September 30, 2011	<u>1,000,000</u>	<u>415,424</u>	<u>-</u>	<u>9,762</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,425,186</u>	<u>233,638</u>	<u>1,658,824</u>

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

"UNAUDITED"
"REVIEWED"

In Thousand Baht						
Note	Separate financial statements					
	Issued and fully paid - up share capital	Premium on share capital	Discount on share capital	Unappropriated (deficit)	Other component of equity	Total shareholders' equity
					Other comprehensive income (expense)	
					Excess from change in equity interest	
Balance as at January 1, 2012	1,000,000	415,423	-	(306,706)	-	1,108,717
Increase in share capital	24 2,913	-	(1,457)	-	-	1,456
Total comprehensive loss for the period	-	-	-	(205,712)	(15,242)	(220,954)
Balance as at September 30, 2012	<u>1,002,913</u>	<u>415,423</u>	<u>(1,457)</u>	<u>(512,418)</u>	<u>(15,242)</u>	<u>889,219</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	-	-	-	(58,390)	-	(58,390)
Balance as at September 30, 2011	<u>1,000,000</u>	<u>415,424</u>	<u>-</u>	<u>(58,390)</u>	<u>-</u>	<u>1,357,034</u>

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE NINE - MONTH PERIODS ENDED SEPTEMBER 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	(330,766)	(135,836)	(205,712)	(58,390)
Adjustments for				
Depreciation	101,900	87,858	13,273	14,805
Doubtful account (reversal)	(29,765)	(10,099)	(31,677)	(9,000)
Loss of non-refundable withholding tax	1,517	-	1,298	-
Amortization of prepaid expenses	-	1,187	-	1,123
Amortization of intangible asset	-	278	-	255
Loss from write off of investment in the expired warrants	-	10	-	10
Unrealized (gain) loss from investment in trading security	26	392	26	392
Gain on sale of investment in subsidiary company	-	-	(5,329)	-
Loss from written off fixed assets	4	-	4	-
Gain on a bargain purchase of subsidiaries company	-	(22,676)	-	-
Gain on sale of property, plant and equipment	(20,674)	(242)	(55,279)	(18)
Loss from impairment of investment in subsidiary company	-	-	57,613	-
Loss on impairment of assets	-	7,698	-	7,698
Loss on written-off retention	-	2,398	-	-
Loss from declining in value of inventories (Reversal)	13,646	12,653	11,757	2,077
Revenue from written-off accrued expenses	-	(12,215)	-	(12,215)
Amortization of financing fee	5,835	5,034	5,835	5,034
Provision for employee benefit	263	3,020	168	1,227
Interest income	(569)	(17)	(229)	(542)
Interest expenses of employee benefits	106	101	47	34
Interest expenses	247,259	136,703	186,417	109,605
Profit (loss) from operating activities before change in operating assets and l	(11,218)	76,247	(21,788)	62,095
Decrease(Increase) in operating assets				
Trade accounts and notes receivable - other companies	(424,454)	874,964	(386,970)	714,698
Trade accounts and other receivable - related companies	-	-	153	1,110
Inventories	(268,248)	(265,544)	(228,620)	(168,252)
Advance payment for goods	488,850	241,965	491,717	33,288
Account receivable-revenue department	3,092	6,176	5,619	3,494
Other current assets	(4,052)	(137)	(157)	(1,766)
Other account receivable - advance payment for goods	4,927	(12,657)	4,927	(12,657)
Other long-term accounts receivable	-	11,133	-	-
Retention receivable	331	10,483	-	-
Other non-current assets	2,949	(101)	1,305	1
Increase(Decrease) in operating liabilities.				
Trade accounts and notes payable - other companies	138,920	5,258	109,963	216,138

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE NINE - MONTHS PERIODS ENDED SEPTEMBER 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	55,462	8,647	6,281	8,665
Advance receive for goods	(31,259)	(28,026)	(73,314)	70,071
Accrued expenses	(5,563)	(6,769)	(656)	681
Other current liabilities	20,463	1,751	7,786	3,587
Cash received (paid) from operating activities	(29,800)	923,390	(83,754)	931,153
Cash payment for corporate income tax and withholding tax	(964)	(3,290)	(551)	(164)
Cash received from interest income	778	14,054	-	547
Net Cash Provided by (Used in) from Operating Activities	(29,986)	934,154	(84,305)	931,536
CASH FLOW FROM INVESTING ACTIVITIES				
Decrease in bank deposit as collateral	-	(4,386)	-	(905)
Cash received from sale of investment in subsidiary company	-	-	56,994	-
Cash payment for purchase of investment in subsidiary company	-	-	-	-
Cash received from sale of property, plant and equipment	924	242	35,343	10
Cash received from sale of investment property	43,161	-	43,161	-
Cash payment for purchase of invesment in subsudiary company	-	(799,241)	-	(799,682)
Cash received from short-term loans to subsidiary company	-	-	49,609	29,570
Cash payment for short-term loans to subsidiary company	-	-	(45,429)	(24,570)
Cash payment for purchase of property, plant and equipment	(1,317)	(3,341)	-	(214)
Cash received from interest income of short-term loans to subsidiary con	-	-	233	-
Net Cash Provided by (Used in) from Investing Activities	42,768	(806,726)	139,911	(795,791)
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 financi	59,925	(40,663)	38,266	(54,006)
Cash payment for account payable for assets	-	(9,212)	-	(383)
Cash payment for liabilities under finance lease agreement	(577)	(697)	(519)	(598)
Cash payment for long-term loans from financial institutions	(58,847)	(15,620)	(58,847)	(15,619)
Cash received for loans from subsidiary company	-	-	44,243	21,750
Cash payment for loan from subsidiary company	-	-	(13,412)	(17,680)
Cash payment for short - term loan from related person	-	(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 received for increase in share capital	1,456	-	1,456	-
Cash payment for interest expenses	(53,912)	(69,329)	(53,504)	(48,330)
Net Cash Provided (Used in) from Financing Activities	5,039	(107,245)	(42,317)	(114,866)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	17,821	20,183	13,289	20,879
Cash and Cash Equivalents - Beginning of Period	14,421	18,856	14,103	14,833
CASH AND CASH EQUIVALENT AT ENDING OF THE PERIOD	32,242	39,039	27,392	35,712

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements
For the three-month and nine month periods ended September 30, 2012 and 2011
(Unaudited/Reviewed)

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

The interim financial statements were authorized for issue by the directors on November 13, 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 Watchannok Lane, Rama III Road, Bangkoleam, Bangkok.

The Company and its subsidiaries operate in the business of distribution of steel pipe, 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 include the accounts of the Company and its subsidiaries which the Company has controlling power are prepared using the same accounting policies as were used for the financial statements for the year ended 31 December 2011, the Company has shareholding in directly and indirectly on this subsidiaries as follows:

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
For the three-month and nine month periods ended September 30, 2012 and 2011
(Unaudited/Reviewed)

Name of Companies	Type of business	In Million Baht		Percentage of direct and indirect holding (%)	
		Paid-up share capital		September 30, 2012	December 31, 2011
		September 30, 2012	December 31, 2011		
Thai National Product Co., Ltd	Foundation pile manufacturing, delivery and hammering	261	261	100.00	100.00
Siam Ferro Industry Co., Ltd	Production and distribution of steel production and all steel pipe 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 nine-month period ended September 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, which have significant accounting policy additional are as follows :

Investments in securities available for sale

Investments in marketable equity securities which classified as available-for-sale investments. Available-for-sale investments are stated at fair value which is determined using quoted bid price at the reporting date. The changes, therein, other than impairment losses, are recognised directly in equity. When there is objective evidence that the value of the asset is impaired, impairment losses are recognised in profit or loss.

On disposal of an investment, the difference between net disposal proceeds and the carrying amount together with the associated cumulative gain or loss that was reported in equity is recognised in profit or loss.

If the Group disposes of part of its holding of a particular investment, the deemed cost of the part sold is determined using the weighted average method applied to the carrying value of the total holding of the investment.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
For the three-month and nine month periods ended September 30, 2012 and 2011
(Unaudited/Reviewed)

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.

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 since April 1,2012 and ended of relationship at July 1, 2012
MSP Metal Co.,Ltd.	Procurement and distribution of steel product	Related via subsidiary of Max Metal Corporation Pcl. and ended of relationship at July 1, 2012
Ms. Angkakarn tantiviroon		Director

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
For the three-month and nine month periods ended September 30, 2012 and 2011
(Unaudited/Reviewed)

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% - 7.13% per annum
Value from sales fixed assets	Price reference with appraisal value by independent appraisal

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

	In Thousand Baht			
	Consolidated financial statements			
	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2012	2011	2012	2011
Transaction with related companies				
Purchase of goods	-	10,279	133,804	12,634
Management Fees	-	-	1,126	-
Subcontract production cost	-	15	-	15
Others expense	-	443	-	1,181

	In Thousand Baht			
	Separate financial statements			
	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2012	2011	2012	2011
Transaction with related companies				
Purchase of goods	-	10,279	-	12,634
Subcontract production cost	-	15	-	15
Others expense	-	443	-	1,181

Transaction with subsidiary companies

(Eliminated from consolidated financial statements)

Revenues from sales	389	67	1,147	3,096
Revenues from sales of raw materials	-	99,855	-	160,984
Revenues from transportation	-	-	-	7
Interest income	11	-	223	531

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
For the three-month and nine month periods ended September 30, 2012 and 2011
(Unaudited/Reviewed)

	In Thousand Baht			
	Separate financial statements			
	For the three-month periods		For the nine-month	
	ended September 30		periods ended September 30	
	2012	2011	2012	2011
Others income	14	19	36	41
Purchase of goods	7,346	-	7,906	-
Subcontract production cost	1,119	218	4,360	561
Others expense	2	33	64	127
Interest expense	261	143	265	159
Value from sales fixed assets	7,015	8	35,075	8

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

	In Thousand Baht			
	Consolidated financial		Separate financial statements	
	statements			
	September	December	September	December
	30, 2012	31, 2011	30, 2012	31, 2011
Trade and Other account receivable				
Thai National Product Co., Ltd	-	-	6	159
Siam Ferro Industry Co., Ltd	-	-	5,296	5,296
Total	-	-	5,302	5,455
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.	-	-	7,860	1,579
Max Metal Corporation Public Co.,Ltd.	7,429	-	-	-
MSP Metal Co., Ltd	39,387	-	-	-
Total	55,463	8,647	16,507	10,226
Other payable				
A.T.Steel Co.,Ltd	743	-	743	-
Siam Ferro Industry Co., Ltd	-	-	1,525	-
Thai National Product Co., Ltd	-	-	258	-
Director	599	599	-	-
Total	1,342	599	2,526	-
Prepaid cheque				
A.T.Steel Co.,Ltd	-	143	-	143
Loan from				
Thai National Product Co., Ltd	-	-	30,831	-

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
For the three-month and nine month periods ended September 30, 2012 and 2011
(Unaudited/Reviewed)

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

		In Thousand Baht	
		Separate financial statements	
	December 31, 2011	Increase	September 30, 2012
Short-term loans to related party			
Thai National Product Co., Ltd	4,180	45,429	49,609
			-

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

As of September 30, 2012 and December 31, 2011, the short-term loans to subsidiary company were in type of loan contract with the repayment when it is called, carried interest rate at 7.13% – 7.25% per annum and 6.62% - 7.25% per annum, respectively

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

		In Thousand Baht	
		Separate financial statements	
	December 31, 2011	Increase	September 30, 2012
Short-term loans from related party			
Thai National Product Co., Ltd	-	44,243	13,412
			30,831

		In Thousand Baht	
		Separate financial statements	
	December 31, 2010	Increase	September 30, 2011
Short-term loans from related party			
Thai National Product Co., Ltd	-	21,750	17,680
			4,070

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
For the three-month and nine month periods ended September 30, 2012 and 2011
(Unaudited/Reviewed)

As of September 30, 2012 and December 31, 2011, the short-term loans from subsidiary company were loan in type of the repayment when it is called, carried interest rate at 7.13% and 6.87% per annum, respectively

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

	In Thousand Baht			
	Consolidated financial statements			
	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2012	2011	2012	2011
Key Managements Personnel Compensation				
Short-term Employee Benefits	2,415	2,627	7,491	7,936
Post-Employment Benefits	54	26	162	1,067
Total	2,469	2,653	7,653	9,003

	In Thousand Baht			
	Separate financial statements			
	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2012	2011	2012	2011
Key Managements Personnel Compensation				
Short-term Employee Benefits	2,415	2,627	7,491	7,936
Post-Employment Benefits	54	26	162	1,067
Total	2,469	2,653	7,653	9,003

Significant contract during the Group and related parties as at September 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)
For the three-month and nine month periods ended September 30, 2012 and 2011
(Unaudited/Reviewed)

7. NON - CASH TRANSACTIONS

For the nine-month periods ended September 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	1,018	1	1,018	-
Sale of fixed assets with credit	17,247	-	17,247	8
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	1,031,358	271,572	1,031,358	271,572
Offsetting between trade accounts receivable and trade account payable	90,783	262,914	43,349	262,914
Offsetting between other accounts receivable and advance received for goods	-	6,951	-	6,951
Other accounts receivable – increase from transferred advance payment for goods	-	327,980	-	327,980
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	-	-
Other accounts receivable –advance payment for goods decrease by transfer to investment in available for sale security	187,986	-	187,986	-
Unrealized (gain) loss from investment in available for sale security	15,242	-	15,242	-
Assets and liabilities increased from business combinations				
Current assets	-	602,248	-	-
Others non current assets	-	1,082,983	-	-
Current liabilities	-	597,713	-	-
Non current liabilities	-	669	-	-

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
For the three-month and nine month periods ended September 30, 2012 and 2011
(Unaudited/Reviewed)

8. CASH AND CASH EQUIVALENTS

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Cash	332	159	203	72
Saving account	29,262	2,565	26,399	2,550
Current account	2,648	11,697	790	11,481
Total	32,242	14,421	27,392	14,103

9. TEMPORARY INVESTMENT

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Investment in trading security				
Cost	647	1,618	647	1,618
Change in fair value of investment	(414)	(1,350)	(414)	(1,350)
Less : Loss from amortization of investment in the warrants expired	-	(9)	-	(9)
Fair value	233	259	233	259

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

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Advance notes receivable	153,881	189,694	145,688	189,694
Account receivable-returned cheques	4,515	997	-	-
Trade accounts receivable	1,547,238	1,179,393	1,227,667	840,040
Total	1,705,634	1,370,084	1,373,355	1,029,734
Less : Allowance for doubtful debt-trade accounts receivable	(49,221)	(47,308)	(9,905)	(9,905)
Net	1,656,413	1,322,776	1,363,450	1,019,829

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
For the three-month and nine month periods ended September 30, 2012 and 2011
(Unaudited/Reviewed)

As at September 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	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Within credit term	370,219	793,031	204,872	692,647
Over due 1 to 90 days	838,493	491,230	788,682	318,246
Over due 91 to 180 days	160,425	10,400	159,313	8,936
Over due 181 to 365 days	281,687	28,157	210,583	-
Over due over 1 year	54,810	47,266	9,905	9,905
Total	1,705,634	1,370,084	1,373,355	1,029,734
Less : Allowance for doubtful debt – trade account receivable	(49,221)	(47,308)	(9,905)	(9,905)
Net	1,656,413	1,322,776	1,363,450	1,019,829

For the nine-month periods ended September 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	87	10,099	-	9,000
: Written-off	-	-	-	-
Allowance for doubtful debt – Ending	(49,221)	(241,155)	(9,905)	(12,905)

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
For the three-month and nine month periods ended September 30, 2012 and 2011
(Unaudited/Reviewed)

In the consolidated financial statements as of September 30, 2012 and December 31, 2011, the Group factored some notes receivable in the amount of Baht 27.37 million and Baht 28.87 million respectively, the separate financial statements in amount of Baht 23.09 million and Baht 28.87 million respectively, to discount with the financial institution according to note no.20. 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 financial statements as at September 30, 2012 and December 31, 2011, a part of trade accounts receivable in the amount of Baht 24.95 million and Baht 4.84 million respectively, had be transferred the right of collection to one financial institution according to note no 20. 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.

In the consolidated financial statements as at September 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.

11. INVENTORIES - NET

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Finished goods	525,720	161,403	419,459	84,532
Work in process	453	853	-	-
Good in transit	5,398	-	5,398	-
Raw materials	148,339	248,748	102,963	214,332
Supplies	11,335	11,992	1,037	1,372
Total	691,245	422,996	528,857	300,236
<u>Less</u> Allowance for declining in value of inventories	(28,808)	(15,024)	(15,999)	(4,275)
Net	662,437	407,972	512,858	295,961

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
For the three-month and nine month periods ended September 30, 2012 and 2011
(Unaudited/Reviewed)

For the nine-month period ended September 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	(13,784)	(14,931)	(11,724)	(2,675)
Less : Sale/reversal	-	2,278	-	598
Allowance for declining in value of inventories-ending	(28,808)	(22,139)	15,999	(2,584)

In the consolidated and separate financial statements as at September 30, 2012 and December 31, 2011, inventories in amount of Baht 77.76 million and in amount of Baht 201.14 million, respectively, are pledge as collateral with financial institutes according to Note no 18.

12. ADVANCE PAYMENT FOR GOODS - NET

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Advance payment for goods	50,924	540,108	29,631	521,348
Less : Allowance for declining in value of inventories	(589)	(727)	(254)	(221)
Net	50,335	539,381	29,377	521,127

For the nine-month period ended September 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)	-
Add : Increased within period	-	-	(33)	-
Less : Sale/reversal	138	-	-	-
Allowance for declining in value of inventories-ending	(589)	-	(254)	-

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
For the three-month and nine month periods ended September 30, 2012 and 2011
(Unaudited/Reviewed)

13. AVAILABLE FOR SALE INVESTMENT

	In Thousand Baht
	Consolidated and Separate financial statements
	September 30, 2012
Cost value	187,986
Change in fair value of investment	(15,242)
Fair value	172,744

Book value of investment available for sale security in amount of Baht 140.99 million, after the reporting dated, the Company has pledge to collateral for the debt under restructuring agreement with a financial institute.

14. INVESTMENT IN SUBSIDIARIES - NET

		Separate financial statements					
		In Thousand Baht					
Percentage of direct and indirect Holding (Percent)		Paid-up capital		Investment value Cost method			
September	December	September	December	September	December	September	December
30, 2012	31, 2011	30, 2012	31, 2011	30, 2012	31, 2011	30, 2012	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 : Allowance for impairment loss of investment in subsidiary						(85,626)	(28,014)
Net						1,089,914	1,199,191

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)
For the three-month and nine month periods ended September 30, 2012 and 2011
(Unaudited/Reviewed)

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.

The separate financial statement as at September 30, 2012, the Company recognizes provision for impairment loss of investment in Siam Ferro Industry Company Limited in amount of Bath 57.61 million.

15. INVESTMENT PROPERTY – NET

For the nine-month period ended September 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	108,402
Disposal during the period	(60,602)	(60,603)
Accumulated depreciation for disposal	4,838	4,838
Depreciation for the period	(3,803)	(3,448)
Allowance for impairment for disposal	15,672	15,672
Net book value as at September 30, 2012 – net	80,119	64,862

The consolidated and separate financial statements as at September 30, 2012 and December 31, 2011, the Group's investment property in the book value of Baht 64.86 million and Baht 108.40 million, respectively, as collateral for loans granted by financial institutions as in note No. 18.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
For the three-month and nine month periods ended September 30, 2012 and 2011
(Unaudited/Reviewed)

The consolidated financial statements as at September 30, 2012 and December 31, 2011 the Group's investment property in the book value of Baht 7.00 million and Baht 7.20 million, respectively, as collateral against the merchandise orders.

The consolidated and separate financial statements as at September 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 92.30 million and as in the separate financial statements amount of Baht 75.94 million.

16. PROPERTY, PLANT AND EQUIPMENT - NET

For the nine-month period ended September 30, 2012, the movements are as follows:

	In Thousand Baht	
	Consolidated financial statements	Separate financial statements
Net book value as at January 1, 2012	1,696,518	105,526
Acquisitions during the period	2,334	1,018
Disposal during the period	(59,285)	(48,309)
Written off during the period	(4)	(4)
Accumulated depreciation for disposal	57,222	48,309
Depreciation for the period	(98,097)	(9,825)
Net book value as at September 30, 2012	1,598,688	96,715

Consolidated Financial Statements

As at September 30, 2012 and December 31, 2011, The Group mortgaged land and building in book value of Baht 454.07 million and Baht 459.09 million respectively, and some machine in book value of Baht 60.73 million and Baht 75.06 million respectively, is collateral for loans from the financial institution with note No. 18.

As at September 30, 2012 and December 31, 2011, The Group mortgaged land and building in the book value of Baht 601.70 million and Baht 645.56 million, is collateral for loans from other person and company as in note No. 18.

Separate Financial Statements

As of September 30, 2012 and December 31, 2011, the Company mortgaged land and building in book value of Baht 55.64 million and Baht 56.33 million respectively, and some machine in book value of Baht 24.81 million and Baht 29.95 million respectively, is collateral for loans from the financial institution with note No. 18.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
For the three-month and nine month periods ended September 30, 2012 and 2011
(Unaudited/Reviewed)

As of September 30, 2012 and December 31, 2011, the Company had assets with the depreciation fully calculated but still operate which had a cost value of Baht 36.12 million and Baht 86.97 million respectively. The net book value was Baht 637.96 million and Baht 489.00 million respectively.

17. OTHER RECEIVABLE – ADVANCE PAYMENT GOODS-NET

	In Thousand Baht	
	Consolidated and Separate financial statements	
	September 30, 2012	December 31, 2011
Other receivable-advance payment goods	-	322,472
<u>Less</u> Allowance for doubtful	-	(161,236)
Net	-	161,236

The consolidated and separate financial statements as at 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. In 2011, such debtor company 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. However, the debtor is unable to repay the debt as the term and condition in the letter of request gradually repayment dated November 1, 2011. Thus, 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.

Later, 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 which the Company's management has agreed and accept in such compromise agreement. On September 21, 2012, the Company has received newly ordinary shares of the debtor in amount of 508,071,269 shares, which fair value in amount of Baht 174.74 million to be settled all debt repayment and has reversed allowance for doubtful account in amount of Baht 31.68million. For the investment received , the Company has classified as available for sale investment as in note no 13.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
For the three-month and nine month periods ended September 30, 2012 and 2011
(Unaudited/Reviewed)

18. 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 September 30, 2012 and December 31, 2011, in amount of Baht 2,119.21 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 and building and some part machine of the Company, some part land and 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.

19. LOANS THAT DUE FOR REPAYMENT

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Trust receipts	462,127	104,391	462,127	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	1,031,358	745,720	1,031,358	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 September 30, 2012, the loan which due to payment was arisen from trust receipt, promissory notes, and long-term loan in amount of Baht 1,031.36. However, the Company had entered into debt restructuring agreement dated August 16, 2011, However, as of September 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 27, 2012, so the Company reclassify such loan to the account of debt under restructuring agreement as in note no 23.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
For the three-month and nine month periods ended September 30, 2012 and 2011
(Unaudited/Reviewed)

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

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Bank overdrafts	10,057	10,584	10,057	10,584
Bill of exchange and discount post date cheque	27,372	26,872	23,093	26,872
Account payable factoring	21,102	8,179	-	4,457
Trust receipts	26,933	262,381	26,933	262,381
Promissory note	16,000	395,900	16,000	395,900
<u>Less</u> Loans that due for repayment	-	(484,292)	-	(484,292)
Amortization of deferred service fee in borrowing	-	(2,083)	-	(2,083)
Net	101,464	217,541	76,083	213,819

20.1 The consolidated and separate financial statement as at September 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 7.125% - 7.875% and 6.75% - 7.25% per annum, respectively.

20.2 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.

20.3 The consolidated and separate financial statement as at September 30, 2012 and December 31, 2011, trust receipt is carried by interest rates of 6.13% per annum and 5.87% - 15.00% 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.

As at December 31, 2011, partly trust receipt in amount of 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.19.

20.4 The consolidated and separate financial statement as at September 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.19.

Such above loan from financial institutions constitutes have collateral according to note No.18.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
For the three-month and nine month periods ended September 30, 2012 and 2011
(Unaudited/Reviewed)

21. SHORT-TERM LOANS FROM OTHER PERSON AND COMPANY

The consolidated financial statement as at September 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 and 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 continue extended the due period for next 3 months, in each time of extended, 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.

22. LIABILITIES UNDER FINANCIAL LEASE AGREEMENT – NET

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Liabilities under financial lease agreement	1,700	2,375	1,468	2,066
<u>Less</u> Interest payment from financial lease agreement	(144)	(242)	(88)	(166)
Net	1,556	2,133	1,380	1,900
<u>Less</u> Current portion	(808)	(775)	(731)	(698)
Net	748	1,358	649	1,202

The consolidated financial statement as at September 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 1.63 million and Baht 2.22 million respectively, and the separate financial statements as at September 30, 2012 and December 31, 2011, There is net book value of Baht 1.45 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)
For the three-month and nine month periods ended September 30, 2012 and 2011
(Unaudited/Reviewed)

23. DEBT UNDER RESTRUCTURING AGREEMENT

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Long term loans from financial institutions	1,520,146	1,104,700	1,520,146	1,104,700
Accrued interest pending for waiving	20,835	20,836	20,835	20,836
Accrued interest expenses under restructuring agreement	60,688	-	60,688	-
<u>Less</u> Current portion	(160,500)	(19,665)	(160,500)	(19,665)
Amortization of deferred service fee in borrowing	-	(3,752)	-	(3,752)
Net	1,441,169	1,102,119	1,441,169	1,102,119
<u>Less</u> Loans that due for repayment	(864,108)	(261,428)	(864,108)	(261,428)
Net	577,061	840,691	577,061	840,691

For the nine-month period ended September 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	636,185	-	636,185	-
Realized debt under restructuring agreement to reduce interest expense	(277)	-	(277)	-
Repayment	(58,847)	(15,619)	(58,847)	(15,619)
Balance as of ending	577,061	635,160	577,061	635,160

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
For the three-month and nine month periods ended September 30, 2012 and 2011
(Unaudited/Reviewed)

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

The first financial institution

- 23.1 The consolidated and separate financial statement as at September 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</u> <u>per Installment</u> (In Million Baht)	<u>Interest Rates(%)</u> <u>(Per Annum)</u>
July 2011	5.41	SPRL+1
August 2011 – September 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.

- 23.2 The consolidated and separate financial statement as at September 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</u> <u>per Installment</u> (In Million Baht)	<u>Interest Rates(%)</u> <u>(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 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)
For the three-month and nine month periods ended September 30, 2012 and 2011
(Unaudited/Reviewed)

- 23.3 The consolidated and separate financial statement as at September 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 per Installment (In Million Baht)</u>	<u>Interest Rates(%) (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 September 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.19.

The second financial institution

- 23.4 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 19.

Later, the Company and the financial institute has entered in to the debt restructuring contract no. 5 dated September, 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, remaining balance amount of Baht 281.00 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)
For the three-month and nine month periods ended September 30, 2012 and 2011
(Unaudited/Reviewed)

<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, remaining balance amount of Baht 247.11 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, remaining balance amount of Baht 209.45 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 September 2014. The principle debt bear interest rate at MLR per annum, the principle is installment repayment for every three months, commencing September 2012 and will be completely repayment within December 2013 which has term of repayment as followings :

<u>Installment</u>	<u>Minimum Principal Repayment per Installment</u> (Million Baht)
September 2012	17.1
December 2012 - September 2013	30.0
December 2013	Outstanding

Such above loan from financial institutions constitutes collateral according to note No.18

24 SHARE CAPITAL

	Par Value	Consolidated and Separate financial statements			
		September 30, 2012		December 31, 2012	
		Number of	Amount	Number of	Amount
		Share Thousand <u>Baht</u>	Thousand <u>Baht</u>	Share Thousand <u>Baht</u>	Thousand <u>Baht</u>
Authorized share capital					
Ordinary shares at beginning of the period	1.00	1,500,000	1,500,000	1,500,000	1,500,000
<u>Add</u> Increase ordinary shares	1.00	3,000,000	3,000,000	-	-
<u>Less</u> Decrease ordinary shares	1.00	(500,000)	(500,000)	-	-
Ordinary shares at ending of the period	1.00	4,000,000	4,000,000	1,500,000	1,500,000
Issue and paid-up share capital					
Ordinary shares at beginning of the period	1.00	1,000,000	1,000,000	1,000,000	1,000,000
<u>Add</u> Increase ordinary shares	1.00	2,913	2,913	-	-
Ordinary shares at ending of the period	1.00	1,002,913	1,002,913	1,000,000	1,000,000

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 already changed its registered capital with the Department of Business Development, Ministry of Commerce.
3. 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.
4. 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 .

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
For the three-month and nine month periods ended September 30, 2012 and 2011
(Unaudited/Reviewed)

The Company has received the incremental share capital in amount of 2,913,226 shares, par value of Baht 1.00 per share. As a result, the Company issued and paid-up share capital increase to Baht 1,002,913,226 from the former Baht 1,000,000,000. The Company has already changed its paid-up share capital with the Department of Business Development, Ministry of Commerce.

25 CORPORATE INCOME TAX

For the three month and the nine-month period ended September 30, 2012, the Group calculates tax at 23% (For the three month and the nine-month period ended September 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 mainly are accumulated loss carried not over 5 years, doubtful debt, depreciation that far rate which specify in the Revenue Code and loss from declining in value, etc.

26 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.

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

	In Thousand Baht						
	Consolidated financial statements						
	For the three-month period ended September 30, 2012						
	Steel Business		Business Piles		Other	Eliminate	Total
	Distribution of Material	Distribution of Finished Good	Produce and Distribution	Service			
Sales and service	12,983	450,684	52,874	24,925	2,576	(8,883)	535,159
Profit(loss)from operation	231	(11,796)	(1,721)	(1,842)	(14,544)		(29,672)
Others income							7,582
Common expenses							10,420
Finance costs							(112,312)
Corporate income tax							-
Profit(loss) for the period							(123,982)
Non – controlling interests							20,922
Profit(loss) for the equity holders of the company							(103,060)

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
For the three-month and nine month periods ended September 30, 2012 and 2011
(Unaudited/Reviewed)

	In Thousand Baht					
	Consolidated financial statements					
	For the three-month period ended September 30, 2011					
	Steel Business		Business Piles		Other	Eliminate
	Distribution of Material	Distribution of Finished Good	Produce and Distribution	Service		
Sales and service	177,280	878,671	25,228	12,132	583	(100,139)
Profit(loss)from operation	6,467	(2,271)	(10,014)	(1,635)	(1,238)	
Others income						
Common expenses						
Finance costs						
Corporate income tax						
Profit(loss) for the period						
Non – controlling interests						
Profit(loss) for the equity holders of the company						

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
For the three-month and nine month periods ended September 30, 2012 and 2011
(Unaudited/Reviewed)

In Thousand Baht							
Consolidated financial statements							
For the nine-month period ended September 30, 2012							
	Steel Business		Business Piles		Other	Eliminate	Total
	Distribution of Material	Distribution of Finished Good	Produce and Distribution	Service			
Sales and service	92,567	2,021,178	159,265	69,339	5,817	(13,413)	2,334,753
Profit(loss)from Operation	(911)	(21,445)	(15,144)	(7,509)	(27,709)		(72,718)
Others income							34,048
Common expenses							(38,948)
Finance costs							(253,148)
Corporate income tax							-
Profit(loss) for the period							(330,766)
Non – controlling interests							55,461
Profit(loss) for the equity holders of the company							(275,305)
Fixed assets	————1,069,673 ———		————529,015 ———				1,598,688
Other assets							2,719,859
Total assets							4,318,547

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
For the three-month and nine month periods ended September 30, 2012 and 2011
(Unaudited/Reviewed)

	In Thousand Baht						
	Consolidated financial statements						
	For the nine-month period ended September 30, 2011						
	Steel Business		Business Piles		Other	Eliminate	Total
	Distribution of Material	Distribution of Finished Good	Produce and Distribution	Service			
Sales and service	580,540	2,471,638	87,767	49,749	1,104	(164,640)	3,026,158
Profit(loss)from operation	442	59,175	(25,306)	(9,329)	(2,935)		22,047
Others income							22,743
Gain on bargain purchase of a subsidiary.							22,676
Common expenses							(66,297)
Finance costs							(137,005)
Corporate income tax							-
Profit(loss) for the period							(135,836)
Non – controlling interests							12,076
Profit(loss) for the equity holders of the company							(123,760)
Fixed assets	————1,142,021 ———		————584,435 ———				1,726,456
Other assets							2,453,294
Total assets							4,179,750

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
For the three-month and nine month periods ended September 30, 2012 and 2011
(Unaudited/Reviewed)

27 OBLIGATIONS AND CONTINGENT LIABILITIES

27.1 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	
	September 30, 2012	December 31, 2011	September 30, 2012	December 31, 2011
Contingent liabilities with Commercial banks				
- 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
Contingent liabilities with other person				
- Advance note payable for pledged	9.76	-	-	-

27.2 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, 2012 and 2013. 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.

28 RECLASSIFICATION OF ACCOUNTS

The Company has reclassified the comparative statement of financial position as at December 31, 2011 to conform with the presentation of current period as follow.

	In Thousand Baht					
	Consolidated financial statements			Separate financial statements		
	December 31, 2011			December 31, 2011		
	<u>As previously reported</u>	<u>Reclassified</u>	<u>As currently reported</u>	<u>As previously reported</u>	<u>Reclassified</u>	<u>As currently reported</u>
Statement of financial position						
Non-current assets held for sale	8,081	(8,081)	-	8,081	(8,081)	-
Other current assets	5,885	382	6,267	2,881	382	3,263
Properties, plant and equipment	1,688,819	7,699	1,696,518	97,827	7,699	105,526
Accrued expenses	16,084	(599)	15,485	-	-	-
Other payable- related company	-	599	599	-	-	-

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to Interim Financial Statements (continued)
For the three-month and nine month periods ended September 30, 2012 and 2011
(Unaudited/Reviewed)

29 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 at June 30, 2011 and as at 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 on bargain purchase of subsidiary company in the consolidated statements of comprehensive income by retrospective adjustment to the acquisition date therefore the consolidated statements of comprehensive income for the nine - month periods ended September 30, 2011 has gain on a bargain purchase of subsidiary company in amount of Baht 22.68 million.