

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

Interim Financial Information

For the three-month and six-month periods ended June 30, 2013

and Independent Auditor's Report on review of interim financial information

BPR AUDIT AND ADVISORY CO., LTD.

Independent Auditors

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION BY INDEPENDENT AUDITOR

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

I have reviewed the accompanying consolidated statement of financial position of Rich Asia Steel Public Company Limited and its subsidiaries as at June 30, 2013, the related consolidated statements of comprehensive income for the three-month and six-month periods ended June 30, 2013 and statement of changes in shareholders' equity, and cash flows for the six-month periods ended June 30, 2013 and condensed notes to financial statements, and I have also reviewed the accompanying statement of financial position of Rich Asia Steel Public Company Limited as at June 30, 2013, the statements of comprehensive income for the three-month and six-month periods ended June 30, 2013 and statements of changes in shareholders' equity and cash flows for the six-month periods ended June 30, 2013 and condensed notes to financial statements. The management is responsible for the preparation and fair presentation of this interim financial information in accordance with Thai 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 Thai Accounting Standard No.34 "Interim Financial Reporting".

Emphasis of matter

I draw attention to Note 5 to the interim financial statements regarding the change in accounting policy made due to adoption of Thai Accounting Standard 12 "Income Taxes". My conclusion is not qualified in respect of this matter.

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

BPR AUDIT AND ADVISORY CO., LTD.
Bangkok
August 13, 2013

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2013

		In Thousand Baht					
		Consolidated financial statements			Separate financial statements		
		June	December	January	June	December	January
		30, 2013	31, 2012	1, 2012	30, 2013	31, 2012	1, 2012
		"Unaudited"	"Audited"	"Audited"	"Unaudited"	"Audited"	"Audited"
Notes		"Reviewed"	"Restated"	"Restated"	"Reviewed"	"Restated"	"Restated"
ASSETS							
CURRENT ASSETS							
Cash and cash equivalents		7,016	7,930	14,421	2,806	3,482	14,103
Temporary investment		337	214	259	337	214	259
Trade and other accounts receivable - other companies	7	1,907,497	1,888,770	1,345,398	1,520,941	1,523,201	1,029,620
Trade and other accounts receivable - related companies	6,8	-	-	-	11,353	2,352	5,461
Short-term loans to subsidiary company	6	-	-	-	-	-	4,180
Inventories	9	617,850	441,467	407,972	488,770	363,833	295,961
Advance payment for goods	10	5,396	167,855	539,381	-	161,575	521,127
Other current assets		5,835	6,023	4,474	414	1,046	1,976
Total Current Assets		2,543,931	2,512,259	2,311,905	2,024,621	2,055,703	1,872,687
NON - CURRENT ASSETS							
Restricted bank deposit		7,920	31,270	6,092	706	28,063	1,174
Investment in securities available for sale	11	59,100	129,558	-	59,100	129,558	-
Investment in subsidiary companies	12	-	-	-	1,033,924	1,069,924	1,199,191
Investment property	13	26,054	26,748	124,014	11,154	11,610	108,401
Property, plant and equipment	14	1,509,538	1,566,019	1,696,518	88,757	93,611	105,525
Other account receivable - advance payment for goods		-	-	161,236	-	-	161,236
Retention receivable		21,986	14,139	11,784	-	-	-
Deferred tax assets	5,23	3,628	2,727	6,090	-	-	-
Other - non current assets		8,972	4,272	6,244	418	372	536
Total non - current assets		1,637,198	1,774,733	2,011,978	1,194,059	1,333,138	1,576,063
TOTAL ASSETS		4,181,129	4,286,992	4,323,883	3,218,680	3,388,841	3,448,750

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF FINANCIAL POSITION
AS AT JUNE 30, 2013

		In Thousand Baht					
		Consolidated financial statements			Separate financial statements		
		June	December	January	June	December	January
		30, 2013	31, 2012	1, 2012	30, 2013	31, 2012	1, 2012
		"Unaudited"	"Audited"	"Audited"	"Unaudited"	"Audited"	"Audited"
<i>Notes</i>		"Reviewed"	"Restated"	"Restated"	"Reviewed"	"Restated"	"Restated"
LIABILITIES AND SHAREHOLDERS' EQUITY							
CURRENT LIABILITIES							
Loans that due for repayment	16	1,642,054	1,031,358	745,719	1,642,054	1,031,358	745,719
Bank overdrafts and short-term loans from financial institutions	17	181,013	103,769	217,541	130,735	79,856	213,819
Trade and other accounts payable - other companies	18	681,387	627,681	472,546	521,572	533,198	384,447
Trade and other accounts payable - related companies	6,19	12,426	13,372	9,389	31,537	13,940	10,703
Current portion							
- Liabilities under finance lease agreement	21	745	819	775	668	743	698
- Liabilities under debt restructuring agreement	22	-	248,667	19,665	-	248,667	19,665
Short - term loans from other company	20	300,000	300,000	300,000	-	-	-
Short - term loans from related person and company	6	5,000	5,000	-	56,950	48,466	-
Income tax payable		7,037	288	1,171	-	-	-
Accrued interest		417,218	274,492	48,088	283,397	182,471	39,022
Advance received for goods		7,141	9,411	40,679	7,141	9,411	82,733
Other current liabilities		9,719	6,586	1,787	6	-	-
Total current liabilities		3,263,740	2,621,443	1,857,360	2,674,060	2,148,110	1,496,806
NON - CURRENT LIABILITIES							
Liabilities under finance lease agreement	21	209	539	1,358	168	459	1,202
Debt under restructuring agreement	22	-	445,878	840,691	-	445,878	840,691
Employee benefit obligations		4,604	4,344	3,852	1,777	1,622	1,334
Deferred tax liabilities	5,23	184,265	220,402	247,423	-	-	1,270
Others non - current liabilities		81	81	81	-	-	-
Total non - current liabilities		189,159	671,244	1,093,405	1,945	447,959	844,497
TOTAL LIABILITIES		3,452,899	3,292,687	2,950,765	2,676,005	2,596,069	2,341,303
SHAREHOLDERS' EQUITY							
Share capital - common shares							
- Authorized share capital - 1,500,000,000 shares, Baht 1.00 par value in 2011							
- Authorized share capital - 4,000,000,000 shares, Baht 1.00 par value in 2012 and 2013							
		4,000,000	4,000,000	1,500,000	4,000,000	4,000,000	1,500,000
Issued and fully paid - up share capital							
- 1,000,000,000 shares, Baht 1 par value in 2011							
- 1,002,913,226 shares, Baht 1 par value in 2012 and 2013							
		1,002,913	1,002,913	1,000,000	1,002,913	1,002,913	1,000,000
Premium on share capital		413,967	413,967	415,423	413,967	413,967	415,423
Deficit		(1,007,635)	(819,794)	(464,198)	(818,215)	(612,676)	(307,976)
Other component of equity		17,731	62,289	58,827	(55,990)	(11,432)	-
Total equity attributable to equity holders of the parent		426,976	659,375	1,010,052	542,675	792,772	1,107,447
Non - controlling interests		301,254	334,930	363,066	-	-	-
Total Shareholders' equity		728,230	994,305	1,373,118	542,675	792,772	1,107,447
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		4,181,129	4,286,992	4,323,883	3,218,680	3,388,841	3,448,750

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE THREE - MONTH PERIODS ENDED JUNE 30, 2013

"UNAUDITED"
"REVIEWED"

		In Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Notes			"Restated"		"Restated"
REVENUES					
	Revenue from sales	545,392	1,063,055	417,083	807,486
	Revenue from services	27,666	25,285	-	-
	Gain on sales of fixed assets	-	16	-	28,076
	Other incomes	9,130	4,695	8,857	2,185
	Total Revenues	582,188	1,093,051	425,940	837,747
EXPENSES					
	Cost of sales	559,026	1,064,772	415,038	797,785
	Cost of services	26,865	24,275	-	-
	Selling expenses	1,263	3,229	340	1,378
	Administrative expenses	30,234	16,963	22,825	10,023
	Loss on impairment of investment in subsidiary	-	-	36,000	34,000
	Doubtful accounts	5,310	-	-	-
6	Management benefit expenses	2,684	2,483	2,684	2,483
	Finance costs	84,413	61,924	63,597	41,900
	Total Expenses	709,795	1,173,646	540,484	887,569
	LOSS BEFORE INCOME TAX	(127,607)	(80,595)	(114,544)	(49,822)
23	Income tax (expenses) revenues	1,806	11,026	-	-
	LOSS FOR THE PERIOD	(125,801)	(69,569)	(114,544)	(49,822)
Other comprehensive income (loss)					
	Change in fair value of securities available for sale	(44,558)	-	(44,558)	-
	TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(170,359)	(69,569)	(159,102)	(49,822)
Loss for the period attributable to :					
	Equity holders of the parent	(103,481)	(55,171)	(114,544)	(49,822)
	Non - controlling interests	(22,320)	(14,398)	-	-
		(125,801)	(69,569)	(114,544)	(49,822)
Total comprehensive loss for the period attributable to :					
	Equity holders of the parent	(148,039)	(55,171)	(159,102)	(49,822)
	Non - controlling interests	(22,320)	(14,398)	-	-
		(170,359)	(69,569)	(159,102)	(49,822)
BASIC LOSS PER SHARE					
24	Equity holders of the parent (baht)	(0.103)	(0.055)	(0.114)	(0.050)

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE SIX - MONTH PERIODS ENDED JUNE 30, 2013

"UNAUDITED"
"REVIEWED"

		In Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		2013	2012	2013	2012
Notes			"Restated"		"Restated"
REVENUES					
	Revenue from sales	1,379,564	1,755,003	1,100,363	1,347,140
	Revenue from services	60,970	44,591	-	-
	Gain on sales of fixed assets	4	18,096	8	45,685
	Gain on sales of investments in subsidiary	-	-	-	5,329
	Other incomes	14,119	8,370	13,621	4,235
	Total Revenues	1,454,657	1,826,060	1,113,992	1,402,389
EXPENSES					
	Cost of sales	1,415,337	1,797,529	1,116,363	1,347,571
	Cost of services	61,123	45,111	-	-
	Selling expenses	3,564	6,304	1,444	3,407
	Administrative expenses	41,586	35,880	27,614	22,356
	Loss on impairment of investment in subsidiary	-	-	36,000	34,000
	Doubtful accounts	11,386	2,000	5,668	-
6	Management benefit expenses	5,367	5,184	5,367	5,184
	Finance costs	167,589	140,835	127,075	100,691
	Total Expenses	1,705,952	2,032,843	1,319,531	1,513,209
	LOSS BEFORE INCOME TAX	(251,295)	(206,783)	(205,539)	(110,820)
23	Income tax (expenses) revenues	29,778	17,051	-	1,270
	LOSS FOR THE PERIOD	(221,517)	(189,732)	(205,539)	(109,550)
Other comprehensive income (loss)					
	Change in fair value of securities available for sale	(44,558)	-	(44,558)	-
	TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(266,075)	(189,732)	(250,097)	(109,550)
Loss for the period attributable to :					
	Equity holders of the parent	(187,841)	(156,126)	(205,539)	(109,550)
	Non - controlling interests	(33,676)	(33,606)	-	-
		(221,517)	(189,732)	(205,539)	(109,550)
Total comprehensive loss for the period attributable to :					
	Equity holders of the parent	(232,399)	(156,126)	(250,097)	(109,550)
	Non - controlling interests	(33,676)	(33,606)	-	-
		(266,075)	(189,732)	(250,097)	(109,550)
BASIC LOSS PER SHARE					
24	Equity holders of the parent (baht)	(0.187)	(0.156)	(0.205)	(0.110)

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX - MONTH PERIODS ENDED JUNE 30, 2013

"UNAUDITED"

"REVIEWED"

In Thousand Baht										
Consolidated financial statements										
Notes	Other component of equity						Total equity attributable to equity holders of the parent	Non - controlling interests	Total shareholders' equity	
	Issued and fully paid - up share capital	Premium on share capital	Unappropriated (Deficit)	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, 2013 as previous reported		1,002,913	413,967	(631,153)	38,435	(11,432)	27,003	812,730	399,250	1,211,980
Effect of change in accounting policy	5	-	-	(188,641)	35,286	-	35,286	(153,355)	(64,320)	(217,675)
Balance as at January 1, 2013 as restated		1,002,913	413,967	(819,794)	73,721	(11,432)	62,289	659,375	334,930	994,305
Total comprehensive loss for the period		-	-	(187,841)	-	(44,558)	(44,558)	(232,399)	(33,676)	(266,075)
Balance as at June 30, 2013		<u>1,002,913</u>	<u>413,967</u>	<u>(1,007,635)</u>	<u>73,721</u>	<u>(55,990)</u>	<u>17,731</u>	<u>426,976</u>	<u>301,254</u>	<u>728,230</u>
Balance as at January 1, 2012 as previous reported		1,000,000	415,423	(255,704)	30,420	-	30,420	1,190,139	424,312	1,614,451
Effect of change in accounting policy	5	-	-	(208,494)	28,407	-	28,407	(180,087)	(61,246)	(241,333)
Balance as at January 1, 2012 as restated		1,000,000	415,423	(464,198)	58,827	-	58,827	1,010,052	363,066	1,373,118
Adjust for change in equity interest in subsidiariy		-	-	-	179	-	179	179	(179)	-
Excess from change in equity interest in subsidiary		-	-	-	14,894	-	14,894	14,894	(14,894)	-
Non - controlling interests increase		-	-	-	-	-	-	-	56,994	56,994
Total comprehensive loss for the period - as restated		-	-	(156,126)	-	-	-	(156,126)	(33,606)	(189,732)
Balance as at June 30, 2012		<u>1,000,000</u>	<u>415,423</u>	<u>(620,324)</u>	<u>73,900</u>	<u>-</u>	<u>73,900</u>	<u>868,999</u>	<u>371,381</u>	<u>1,240,380</u>

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE SIX - MONTH PERIODS ENDED JUNE 30, 2013

"UNAUDITED"
"REVIEWED"

In Thousand Baht					
Separate financial statements					
Note	Issued and fully paid - up share capital	Premium on share capital	Unappropriated (deficit)	Other component of equity	Total shareholders' equity
				Other comprehensive income (expense) Change in fair value of securities available for sale	
Balance as at January 1, 2013	1,002,913	413,967	(612,676)	(11,432)	792,772
Total comprehensive loss for the period	-	-	(205,539)	(44,558)	(250,097)
Balance as at June 30, 2013	<u>1,002,913</u>	<u>413,967</u>	<u>(818,215)</u>	<u>(55,990)</u>	<u>542,675</u>
Balance as at January 1, 2012 as previous reported	1,000,000	415,423	(306,706)	-	1,108,717
Effect of change in accounting policy	5	-	(1,270)	-	(1,270)
Balance as at January 1, 2012 as restated	1,000,000	415,423	(307,976)	-	1,107,447
Total comprehensive loss for the period - as restated	-	-	(109,550)	-	(109,550)
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>

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS
FOR THE SIX - MONTH PERIODS ENDED JUNE 30, 2013

"UNAUDITED"
"REVIEWED"

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax	(251,295)	(206,783)	(205,539)	(110,820)
Adjustments for				
Depreciation for Property, plant and equipment	63,851	65,563	4,916	6,635
Depreciation for Investment property	694	2,549	456	2,312
Doubtful account	11,386	2,000	5,668	-
Loss of non-refundable withholding tax	-	1,516	-	1,298
Unrealized (gain) loss from investment in trading security	(123)	65	(123)	65
Unrealized (gain) loss from investment in securities available for sale	(733)	-	(733)	-
Gain on sale of investment in subsidiary company	-	-	-	(5,329)
Unrealized (gain) loss from exchange rate	(1,424)	-	(1,424)	-
Loss on sale of property, plant and equipment	-	492	-	492
Gain on sale of property, plant and equipment	(4)	(18,096)	(8)	(45,685)
Loss from impairment of investment in subsidiary company	-	-	36,000	34,000
Loss from declining in value of inventories	21,219	2,793	10,957	3,177
Employee benefit	179	176	117	112
Interest income	(6)	(230)	-	(217)
Interest expenses of employee benefits	80	70	38	31
Interest expenses	167,419	140,774	126,961	100,463
Profit (loss) from operating activities before change in operating assets and liabilities	11,243	(9,111)	(22,714)	(13,466)
Decrease (Increase) in operating assets				
Trade and other accounts receivable - other companies	(26,746)	(364,182)	2,260	(341,194)
Trade and other accounts receivable - related companies	-	(31,332)	(9,001)	(31,011)
Inventories	(198,479)	(159,817)	(136,772)	(161,106)
Advance payment for goods	157,669	406,292	156,785	388,552
Other current assets	395	834	744	1,615
Other account receivable - advance payment for goods	-	4,927	-	4,927
Retention receivable	(7,846)	2,457	-	-
Other non-current assets	(4,700)	3,274	(47)	1,338
Increase (Decrease) in operating liabilities				
Trade and other accounts payable - other companies	57,114	82,462	(10,203)	124,632
Trade and other accounts payable - subsidiary and related companies	(946)	61,131	15,795	795
Advance receive for goods	(2,270)	(29,951)	(2,270)	(29,951)
Other current liabilities	3,132	3,718	5	-
Cash received (paid) from operating activities	(11,434)	(29,298)	(5,418)	(54,869)
Cash received from corporate income tax and withholding tax	1,107	-	-	-
Cash payment for corporate income tax and withholding tax	(623)	(245)	(111)	(36)
Cash received from interest income	8	439	-	5
Net Cash Provided by (Used in) from Operating Activities	(10,942)	(29,104)	(5,529)	(54,900)
CASH FLOWS FROM INVESTING ACTIVITIES				
(Increase) Decrease in restricted bank deposit	23,350	-	27,357	-
Cash received from sale of investment in subsidiary company	-	-	-	56,994
Cash received from short-term loans to subsidiary company	-	-	-	45,845
Cash payment for short-term loans to subsidiary company	-	-	-	(41,665)
Cash received from sale of property, plant and equipment	27	-	8	-
Cash payment for purchase of property, plant and equipment	(7,392)	(461)	(62)	-
Cash received from sale of investment in securities available for sale	26,633	-	26,633	-
Net Cash Provided by (Used in) from Investing Activities	42,618	(461)	53,936	61,174

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE SIX - MONTH PERIODS ENDED JUNE 30, 2013

"UNAUDITED"
"REVIEWED"

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
CASH FLOWS 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	77,245	16,539	50,880	20,262
Cash payment for liabilities under finance lease agreement	(404)	(382)	(366)	(344)
Cash payment for Debt under restructuring agreement	(77,375)	-	(77,375)	-
Cash received from short - term loans from subsidiary company	-	-	85,875	2,635
Cash payment for short - term loan from subsidiary company	-	-	(77,390)	(2,192)
Cash payment for interest expenses	(32,056)	(33,658)	(30,707)	(33,590)
Net Cash Provided (Used in) from Financing Activities	(32,590)	39,493	(49,083)	(13,229)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(914)	9,928	(676)	(6,955)
Cash and Cash Equivalents - Beginning of Period	7,930	14,421	3,482	14,103
CASH AND CASH EQUIVALENT END OF PERIOD	7,016	24,349	2,806	7,148
Supplementary Disclosure of Cash Flow Information				
Non-cash item				
1. Purchase fixed asset by credit	-	1,379	-	1,005
2. Sale fixed asset by credit	-	20,050	-	45,576
3. Offsetting between trade account receivable and trade account payable	2,299	50,389	-	49,685
4. Transferred debt under restructuring agreement to loans due for repayment	610,696	1,031,745	610,696	1,031,745
5. Investment in securities available for sale decrease from unrealize loss	55,990	-	55,990	-

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Interim Financial Statements
For the three-month and six-month periods ended June 30, 2013 (Reviewed)

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

The interim financial statements were authorized for issue by the directors on August 13, 2013.

1. GENERAL INFORMATION AND GOING CONCERN

1.1. 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 636 Bangkhuntien-Chaitaley Road, Thakham, Bangkhuntien, Bangkok 10150.

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 pile driving. (The Company and its subsidiaries are called as "the Group".)

1.2. GOING CONCERN

The Group made losses for the three-month and six-month periods ended 30 June 2013 of Baht 125.80 million and Baht 221.52 million (The Company made losses for the three-month and six-month periods ended 30 June 2013: Baht 114.54 million and Baht 205.54 million, respectively). As at 30 June 2013 The Group and the Company had current liabilities exceeded current assets by Baht 719.81 million and Baht 649.44 million, respectively (31 December 2012: Baht 109.18 million and Baht 92.41 million, respectively), including the group has unfinalized contentious case in the court as mention in notes to financial statement no. 26 These conditions indicate the existence of a material uncertainty that may cause significant doubt about the ability of the Group and the Company to continue as going concerns. The Group and the Company needs to generate sufficient cash flows to meet both its working capital requirements and its operating obligations. The financial statements have been prepared on a going concern basis which do not include any adjustments that would be required (including any which may be required in relation to the valuation of the Group and the Company's or the subsidiaries' assets) should the Group and the Company be unable to generate sufficient cash flows and/or raise additional financing from other sources in order to enable it to continue as going concerns. However, the managements are confident the planned capital raisings and negotiation with creditors will continue to be successfully completed.

2. BASIS OF INTERIM FINANCIAL STATEMENT PREPARATION

The interim financial statements issued for Thai reporting purposes are prepared in the Thai language. This English translation of the interim financial statements has been prepared for the convenience of readers not conversant with the Thai language.

The interim financial statements are prepared on a condensed basis in accordance with Thai Accounting Standard No. 34 (revised 2009) Interim Financial Reporting; guidelines promulgated by the Federation of Accounting Professions (FAP); applicable rules and regulations of the Thai Securities and Exchange Commission.

The interim financial statements are prepared and presented in Thai Baht, which is the Group's functional currency.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Interim Financial Statements (continued)
For three-month and six-month periods ended June 30, 2013 (Reviewed)

The interim financial statements are prepared to provide an update on the financial statements for the year ended December 31, 2012. They do not include all of the financial information required for full annual financial statements but focus on new activities, events and circumstances to avoid repetition of information previously reported. Accordingly, these interim financial statements should be read in conjunction with the financial statements for the year ended December 31, 2012.

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 December 31 2012, the Company has shareholding in directly and indirectly on those subsidiaries as follows:

Name of Companies	Type of business	In Million Baht		Percentage of direct and indirect holding (%)	
		Paid-up share capital		June 30, 2013	December 31, 2012
		June 30, 2013	December 31, 2012		
Thai National Product Co., Ltd	Foundation pile manufacturing, delivery and pile driving	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	51.88

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

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 2012, except for the change in the accounting policies due to the adoption of TAS 12 : Income Taxes as follow:

Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Interim Financial Statements (continued)
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The Group recognises deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Group reviews and reduces the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Group records deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

5. APPLICATION OF NEW ACCOUNTING STANDARDS

The Federation of Accounting Professions issued the accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance that are effective as follows:

a) Effective for the period beginning on or after January 1, 2013

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

SIC 10	Government Assistance - No Specific Relation to Operating Activities
SIC 21	Income Taxes - Recovery of Revalued Non-Depreciable Assets
SIC 25	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

Accounting Treatment Guidance for Transfers of Financial Assets

The Group made the change described in Note 4 to the interim financial statements to its significant accounting policies, as a result of the adoption of TAS 12 Income Taxes. The cumulative effect of the change in the accounting policies has the effect to the financial statements which has been separately presented in the statements of changes in shareholders' equity.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Interim Financial Statements (continued)
For three-month and six-month periods ended June 30, 2013 (Reviewed)

The amounts of adjustments affecting the statements of financial position and the statements of comprehensive income are summarized below:

	Thousand Baht					
	Consolidated financial statements			Separate financial statements		
	June	December	January	June	December	January
	30, 2013	31, 2012	1, 2012	30, 2013	31, 2012	1, 2012
Statements of financial position						
Increase in deferred tax assets	3,628	2,727	6,090	-	-	-
Increase in deferred tax liabilities	184,265	220,402	247,423	-	-	1,270
Decrease in non-controlling interests of the subsidiaries	(54,266)	(64,320)	(61,246)	-	-	-
Increase in excess from change in equity interest in subsidiaries	35,286	35,286	28,407	-	-	-
Decrease in unappropriated retained earnings	(161,657)	(188,641)	(208,494)	-	-	(1,270)

	Thousand Baht			
	Consolidated financial statements			
	For the three-month periods ended		For the six-month periods ended	
	June 30		June 30	
	2013	2012	2013	2012
Statements of comprehensive income				
Decrease in income tax	(4,938)	(11,026)	(37,038)	(17,051)
Increase in profit attributable to non-controlling interest of the subsidiaries	829	955	10,054	932
Increase in profit attributable to equity holders of the parent	4,109	10,071	26,984	16,119
Increase in earnings per share	0.004	0.010	0.027	0.016

	Thousand Baht			
	Separate financial statements			
	For the three-month periods ended		For the six-month periods ended	
	June 30		June 30	
	2013	2012	2013	2012
Statements of comprehensive income				
Decrease in income tax	-	-	-	(1,270)
Increase in profit attributable to equity holders of the parent	-	-	-	1,270
Increase in earnings per share	-	-	-	0.001

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Interim Financial Statements (continued)
For three-month and six-month periods ended June 30, 2013 (Reviewed)

b) New accounting standards issued not yet effective

During the current period, the Federation of Accounting Professions has issued notifications, already published in the Royal Gazette, mandating the use of financial reporting standard, accounting standard interpretation and financial reporting standard interpretations as follows.

		<u>Effective date</u>
Financial Reporting Standard:		
TFRS 4	Insurance Contracts	1 January 2016
Accounting Standard Interpretation:		
TSIC 29	Service Concession Arrangements: Disclosures	1 January 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	1 January 2014
TFRIC 10	Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12	Service Concession Arrangements	1 January 2014
TFRIC 13	Customer Loyalty Programmes	1 January 2014

The Group's management has assessed the effect of the above financial reporting standard, accounting standard interpretation and financial reporting standard interpretations and believes that these accounting standards will not have any significant impact on the financial statements for the year when they are initially applied.

6. RELATED PARTIES TRANSACTIONS

A portion of the Company's assets, liabilities, revenues and expenses arose from transactions with related parties. Related parties are those parties controlled by the Company, directly or indirectly or significant influence, to govern the financial and operating policies of the Company.

Types of relationship of related companies are as follows:

<u>Name of Companies</u>	<u>Type of business</u>	<u>Type of relationship</u>
Thai National Product Co., Ltd	Foundation pile manufacturing, delivery and pile driving	Subsidiary
Siam Ferro Industry Co., Ltd	Production and distribution of steel production and all steel pipe and engagement of steel	Subsidiary
A.T. STEEL Co., Ltd.	Distribution of steel	Closed cousin of executive officer are director and shareholders

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Interim Financial Statements (continued)
For three-month and six-month periods ended June 30, 2013 (Reviewed)

Name of Companies	Type of business	Type of relationship
G.T. STEEL WORKS Co., Ltd.	Production and distribution of steel	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
Ms. Arporn Seneeprakornkrai		Shareholder

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 7.13% - 7.25% per annum
Interest expense	Interest rate 7.00% and 12.00% per annum

Significant revenues and expenses derived from transactions with related parties for the three-month and six-month periods ended June 30, 2013 and 2012 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	
	2013	2012	2013	2012
Transaction with related companies				
Purchase of goods	-	133,804	-	133,804
Management expense	-	1,126	-	1,126

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Interim Financial Statements (continued)
For three-month and six-month periods ended June 30, 2013 (Reviewed)

	In Thousand Baht			
	Separate financial statements			
	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2013	2012	2013	2012
Transaction with subsidiary companies				
(Eliminated from consolidated financial statements)				
Revenues from sales	-	219	2,116	770
Revenues from sales raw material	10,506	-	10,506	-
Interest income	-	81	-	212
Others income	310	15	425	50
Purchase of goods	15,628	-	15,628	561
Subcontract production cost	241	317	430	3,241
Others expense	281	-	299	63
Interest expense	1,079	-	1,801	4

The balances of receivables from and payables to related parties as at June 30, 2013 and December 31, 2012 are as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	June	December	June	December
	30, 2013	31, 2012	30, 2013	31, 2012
Trade and other account receivable				
Thai National Product Co., Ltd	-	-	111	2,336
Siam Ferro Industry Co., Ltd	-	-	16,538	5,312
Total	-	-	16,649	7,648
Less Allowance for doubtful debt	-	-	(5,296)	(5,296)
Net	-	-	11,353	2,352
Trade and other account payable				
Thai National Product Co., Ltd	-	-	2,754	952
Siam Ferro Industry Co.,Ltd.	-	-	16,956	215
G.T. Steel Works Co., Ltd.	11,747	11,947	11,747	11,947
A.T.Steel Co.,Ltd	-	743	-	743
Director	679	682	80	83
Total	12,426	13,372	31,537	13,940
Loan from				
Thai National Product Co., Ltd	-	-	56,950	48,466
Shareholder	5,000	5,000	-	-
	5,000	5,000	56,950	48,466

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Interim Financial Statements (continued)
For three-month and six-month periods ended June 30, 2013 (Reviewed)

Movements of Short term loan to subsidiary is as follows:

	In Thousand Baht			
	Separate financial statements			
	December 31, 2011	Increase	Decrease	December 31, 2012
Short-term loans to subsidiary				
Thai National Product Co., Ltd	4,180	45,429	(49,609)	-
(interest rate at 7.13% - 7.25% per annum)				

Movements of Short term loan from related person and company are as follows:

	In Thousand Baht			
	Consolidated financial statements			
	December 31, 2012	Increase	Decrease	June 30, 2013
Short - term loan from Shareholder				
Shareholder	5,000	-	-	5,000
(interest rate at 12% per annum)				

	In Thousand Baht			
	Consolidated financial statements			
	December 31, 2011	Increase	Decrease	December 30, 2012
Short - term loan from Shareholder				
Shareholder	-	5,000	-	5,000
(interest rate at 12% per annum)				

	In Thousand Baht			
	Separate financial statements			
	December 31, 2012	Increase	Decrease	June 30, 2013
Short - term loan from subsidiary				
Thai National Product Co., Ltd	48,466	85,874	(77,390)	56,950
(interest rate at 7.00% per annum)				

	In Thousand Baht			
	Separate financial statements			
	December 31, 2011	Increase	Decrease	December 31, 2012
Short - term loan from subsidiary				
Thai National Product Co., Ltd	-	87,598	(39,132)	48,466
(interest rate at 7.00% - 7.13% per annum)				

Short - term loan from shareholder amount of Baht 5.00 million, the subsidiary company has mortgaged investment property to collateral of loans.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Interim Financial Statements (continued)
For three-month and six-month periods ended June 30, 2013 (Reviewed)

For the three-month and six-month periods ended June 30, 2013 and 2012, 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	
	2013	2012	2013	2012
Key managements personnel compensation				
Short-term employee benefits	2,628	2,429	5,254	5,076
Post-employment benefits	56	54	113	108
Total	<u>2,684</u>	<u>2,483</u>	<u>5,367</u>	<u>5,184</u>

	In Thousand Baht			
	Separate financial statements			
	For the three-month periods ended June 30		For the six-month periods ended June 30	
	2013	2012	2013	2012
Key managements personnel compensation				
Short-term employee benefits	2,628	2,429	5,254	5,076
Post-employment benefits	56	54	113	108
Total	<u>2,684</u>	<u>2,483</u>	<u>5,367</u>	<u>5,184</u>

7. TRADE AND OTHER ACCOUNT RECEIVABLE - OTHER COMPANIES

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	June	December	June	December
	30, 2013	31, 2012	30, 2013	31, 2012
Trade account receivable				
Post dated cheques	147,363	117,667	147,363	81,668
Account receivable-returned cheques	7,068	8,108	-	-
Trade accounts receivable	1,778,422	1,790,585	1,361,809	1,435,079
Total	1,932,853	1,916,360	1,509,172	1,516,747
Less Allowance for doubtful debt	(58,431)	(52,713)	(9,905)	(9,905)
Net	<u>1,874,422</u>	<u>1,863,647</u>	<u>1,499,267</u>	<u>1,506,842</u>
Other account receivable				
Revenue department receivable	4,471	1,388	-	452
Other receivable	20,809	20,711	18,687	13,579
Others	7,795	3,024	2,987	2,328
Total	<u>33,075</u>	<u>25,123</u>	<u>21,674</u>	<u>16,359</u>
Grand Total	<u>1,907,497</u>	<u>1,888,770</u>	<u>1,520,941</u>	<u>1,523,201</u>

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Interim Financial Statements (continued)
For three-month and six-month periods ended June 30, 2013 (Reviewed)

As at June 30, 2013 and December 31, 2012, 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, 2013	December 31, 2012	June 30, 2013	December 31, 2012
Within credit term	395,687	589,757	282,413	413,954
Over due 1 to 90 days	333,122	365,509	326,814	237,003
Over due 91 to 180 days	731,155	784,284	599,416	736,456
Over due 181 to 365 days	386,249	123,006	255,537	119,429
Over due over 1 year	86,640	53,804	44,992	9,905
	1,932,853	1,916,360	1,509,172	1,516,747
Less Allowance for doubtful debt - trade account receivable	(58,431)	(52,713)	(9,905)	(9,905)
Net	1,874,422	1,863,647	1,499,267	1,506,842
Bad debts and doubtful debts expense				
- for the six-month periods ended June 30	5,718	2,000	-	-

As at June 30, 2013, the consolidated financial statements and separate financial statements, account receivable over credit term over 1 year. After the reporting period, the Group and the Company has already received in amount of Baht 36.15 million and Baht 35.09 million.

As at June 30, 2013, the consolidated financial statements, the Group factored some post dated cheques in the amount of Baht 27.00 million (December 31, 2012 : Baht 27.68 million), the separate financial statements in amount of Baht 27.00 million (December 31, 2012 : Baht 27.00 million) to discount with the financial institution according to note No. 17. The Group and the Company still has to take responsibility in the notes receivable if the financial institution cannot collect debt repayment from such notes receivable.

As at June 30, 2013, the consolidated financial statements, part of trade accounts receivable in amount of Baht 66.66 million (December 31, 2012 : Baht 23.23 million) had be transferred the right of collection to one financial institution according to note No 17. The Group still has to take responsibility in the trade accounts receivable if the financial institution cannot collect debt repayment in accordance with such trade accounts receivable.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Interim Financial Statements (continued)
For three-month and six-month periods ended June 30, 2013 (Reviewed)

8. TRADE AND OTHER ACCOUNT RECEIVABLE - RELATED COMPANIES

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2013	December 31, 2012	June 30, 2013	December 31, 2012
Trade account receivable	-	-	11,242	2,297
Other receivable	-	-	5,407	5,351
Total	-	-	16,649	7,648
Less Allowance for doubtful debt-other account receivable	-	-	(5,296)	(5,296)
Net	-	-	11,353	2,352

As at June 30, 2013 and December 31, 2012, the trade accounts receivable - other companies are classified by aging as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2013	December 31, 2012	June 30, 2013	December 31, 2012
Within credit term	-	-	11,242	2,239
Over due 1 to 90 days	-	-	-	58
Total	-	-	11,242	2,297

9. INVENTORIES

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2013	December 31, 2012	June 30, 2013	December 31, 2012
Finished goods	527,357	320,817	428,366	256,498
Work in process	422	415	-	-
Raw materials	112,236	119,791	75,111	109,879
Supplies	13,933	14,446	3,788	4,116
Total	653,948	455,469	507,265	370,493
Less Allowance for declining in value of inventories	(36,098)	(14,002)	(18,495)	(6,660)
Net	617,850	441,467	488,770	363,833

Loss of allowance for declining in value of inventories

- For the six-month periods ended June 30	22,096	3,481	11,835	3,359
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RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Interim Financial Statements (continued)
For three-month and six-month periods ended June 30, 2013 (Reviewed)

10. ADVANCE PAYMENT FOR GOODS

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2013	December 31, 2012	June 30, 2013	December 31, 2012
Advance payment for goods	11,064	168,733	5,668	162,453
Less Allowance for declining in value of inventories	-	(878)	-	(878)
Doubtful debts expense	(5,668)	-	(5,668)	-
Net	<u>5,396</u>	<u>167,855</u>	<u>-</u>	<u>161,575</u>
Loss of allowance for declining in value of inventories (Reversal)				
- For the six-month periods ended June 30	(878)	(688)	(878)	(182)
Doubtful debts expense				
- For the six-month periods ended June 30	5,668	-	5,668	-

11. INVESTMENT IN SECURITIES AVAILABLE FOR SALE

	In Thousand Baht	
	Consolidated and Separate financial statements	
	June 30, 2013	December 31, 2012
Cost value	115,090	140,990
Change in fair value of investment	(55,990)	(11,432)
Fair value	<u>59,100</u>	<u>129,558</u>

The investment in securities available for sale are marketable equity securities, the Company has pledge to collateral for the debt under restructuring agreement with a financial institute

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Interim Financial Statements (continued)
For three-month and six-month periods ended June 30, 2013 (Reviewed)

12. INVESTMENT IN SUBSIDIARIES

	Separate financial statements					
	In Thousand Baht					
	Percentage of direct and indirect Holding		Paid-up capital		Investment value	
	June 30, 2013	December 31, 2012	June 30, 2013	December 31, 2012	Cost method June 30, 2013	December 31, 2012
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	51.88	441,701	441,701	536,062	536,062
Less Allowance for impairment loss					(141,616)	(105,616)
Net					394,446	430,446
Total					1,033,924	1,069,924

13. INVESTMENT PROPERTY

For the six-month periods ended June 30, 2013, the movements of investment property were as follows:

	In Thousand Baht	
	Consolidated financial statements	Separate financial statements
Net book value as at January 1, 2013	26,748	11,610
Depreciation for the periods	(694)	(456)
Net book value as at June 30, 2013	26,054	11,154

As at June 30, 2013, the consolidated financial statements, the Group's investment property in the book value of Baht 14.90 million (December 31, 2011 : Baht 15.14 million) are collateral against the merchandise orders and pledge for collateral for short - term loan from other person as in note No. 6.

As at June 30, 2013 and December 31, 2012, the separate financial statements, the whole amount of investment property are collateral for loans granted by financial institutions as in note No. 15.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Interim Financial Statements (continued)
For three-month and six-month periods ended June 30, 2013 (Reviewed)

14. PROPERTY, PLANT AND EQUIPMENT

For the six-month periods ended June 30, 2013, the movements are as follows:

	In Thousand Baht	
	Consolidated financial statements	Separate financial statements
Net book value as at January 1, 2013	1,566,019	93,611
Acquisitions	7,392	62
Disposal	(60)	(28)
Accumulated depreciation for disposal	38	28
Depreciation for the period	(63,851)	(4,916)
Net book value as at June 30, 2013	1,509,538	88,757

Consolidated Financial Statements

As at June 30, 2013, The Group mortgaged land plus building in book value of Baht 449.34 million (December 31, 2012 : Baht 452.45 million) and some part machine in book value of Baht 47.48 million (December 31, 2012 : Baht 56.03 million) are collateral of loans from the financial institutes with note No. 15.

As at June 30, 2013, The Group mortgaged land plus building in the book value of Baht 469.38 million (December 31, 2012 : Baht 594.35 million) are collateral of loans from other company as in note No. 20.

Separate Financial Statements

As at June 30, 2013, the Company mortgaged land plus building in book value of Baht 54.95 million (December 31, 2012 : Baht 55.45 million) and some part machine in book value of Baht 20.79 million (December 31, 2012 : Baht 23.19 million) are collateral of loans from the financial institutes with note No. 15.

15. 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, 2013, in amount of Baht 2,042.37 million (December 31, 2012 : Baht 2,043.06 million) 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, a part of deposit at bank and guaranteed by director, related companies and subsidiary company and beneficiary from insurance in building, machinery and equipment to commercial bank and financial institutions.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Interim Financial Statements (continued)
For three-month and six-month periods ended June 30, 2013 (Reviewed)

16. LOANS THAT DUE FOR REPAYMENT

	In Thousand Baht			
	Consolidated financial		Separate financial	
	statements		statements	
	June	December	June	December
	30, 2013	31, 2012	30, 2013	31, 2012
Trust receipts	462,127	462,127	462,127	462,127
Promissory note	195,499	195,499	195,499	195,499
Long-term loans from financial institutions	373,732	373,732	373,732	373,732
Debt under restructuring agreement	610,696	-	610,696	-
Total	1,642,054	1,031,358	1,642,054	1,031,358

As at June 30, 2013 and December 31, 2012, The loan which due to payment amount of Baht 1,031.36 million, was arisen from trust receipt, promissory notes, and long-term loan which the Company had entered into debt restructuring agreement dated August 16, 2011, However, 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. (As at December 31, 2013, the company has the restricted bank deposit in amount of Baht 28.06 million with such financial institute.)

As at June 30, 2013, The loan which due to payment amount of Baht 610.70 million, was arisen from debt under restructuring agreement according to note No.22, which, the Company did not 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.

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

	In Thousand Baht			
	Consolidated financial		Separate financial	
	statements		statements	
	June	December	June	December
	30, 2013	31, 2012	30, 2013	31, 2012
Bank overdrafts	9,944	9,976	9,944	9,976
Bill of exchange and discount				
post date cheque	26,997	27,679	26,997	26,996
Account payable factoring	50,278	23,230	-	-
Trust receipts	77,794	26,884	77,794	26,884
Promissory note	16,000	16,000	16,000	16,000
Net	181,013	103,769	130,735	79,856

As at June 30, 2013, short term loan from financial institutions are carried by interest rates of 6.00% - 7.88 % per annum (December 31, 2012 : 6.00% - 7.88%) and have collateral according to note No. 15

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18. TRADE AND OTHER ACCOUNTS PAYABLE - OTHER COMPANIES

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2013	December 31, 2012	June 30, 2013	December 31, 2012
Trade account payable				
Trade account payables	650,040	595,350	507,749	512,447
Other account payable				
Accrued expenses	16,381	12,773	5,025	5,415
Other account payable	14,849	19,403	8,768	15,306
Others	117	155	30	30
Total other account payable	31,347	32,331	13,823	20,751
Grand Total	681,387	627,681	521,572	533,198

19. TRADE AND OTHER ACCOUNTS PAYABLE - RELATED PARTIES

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2013	December 31, 2012	June 30, 2013	December 31, 2012
Trade account payable				
Trade Account Payable	8,647	8,647	25,369	8,647
Other account payable				
Accrued expenses	599	1,805	2,754	952
Other Payable	3,180	2,920	3,414	4,141
Others	-	-	-	200
Total other account payable	3,779	4,725	6,168	5,293
Grand Total	12,426	13,372	31,537	13,940

20. SHORT-TERM LOANS FROM OTHER COMPANY

As at June 30, 2013 and December 31, 2012, the consolidated financial statement, short term loans amount of Baht 300 million is short - term loans from other 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 15.00 % per annum, The final maturity date is October 22, 2012 which the subsidiary has not extended the maturity date. Currently ,the lender has prosecuted claiming for debt repayment and interest expense as mention in notes to financial statement No. 26.

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21. LIABILITIES UNDER FINANCIAL LEASE AGREEMENT

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2013	December 31, 2012	June 30, 2013	December 31, 2012
Liabilities under financial lease agreement	1,025	1,475	871	1,269
Less Interest payment from financial lease agreement	(71)	(117)	(35)	(67)
Net	954	1,358	836	1,202
Less Current portion	(745)	(819)	(668)	(743)
Net	209	539	168	459
Present value of minimum lease payment				
Within one year	745	819	668	743
After one year but within five years	209	539	168	459
Total	954	1,358	836	1,202

As at June 30, 2013, the consolidated financial statements, the Group comprises asset under the financial leased agreement in the type of vehicle, the net book value of Baht 1.05 million (December 31, 2012 : Baht 1.43 million) and the separate financial statements, there is net book value of Baht 0.93 million (December 31, 2012 : Baht 1.27 million). The Group and the Company will receive ownership in such asset when completely repays debt to creditors in accordance with the financial leased agreement.

22. DEBT UNDER RESTRUCTURING AGREEMENT

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	June 30, 2013	December 31, 2012	June 30, 2013	December 31, 2012
Long term loans from financial institutions	-	638,000	-	638,000
Accrued interest pending for waiving	-	22,072	-	22,072
Accrued interest expenses under restructuring agreement	-	34,443	-	34,443
Less Current portion	-	(248,667)	-	(248,667)
Net	-	445,878	-	445,878

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For the six-month periods ended June 30, 2013 and 2012, the movement of long-term loans are as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Balance as of beginning	694,545	864,108	694,545	864,108
Transfer out to loan that due for repayment	(610,696)	(843,272)	(610,696)	(843,272)
Transfer to accrued interest	-	(20,836)	-	(20,836)
Transfer from loan that due to repayment	-	654,864	-	654,864
Realized pending accrued interest to reduce interest expense	(6,474)	(1,267)	(6,474)	(1,267)
Repayment	(77,375)	-	(77,375)	-
Balance as of ending	-	653,597	-	653,597

The consolidated and separate financial statement, debt under restructuring agreement derived from the debt restructuring contract no. 5 dated June 27, 2012, and revision issued no. 4 dated February 26, 2013. 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, as at June 30, 2013, remaining balance amount of Baht 266.00 million (December 31, 2012 : Baht 277.07 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 July 2013 onward and will completely repayment in December 2015. The principle debt bear interest rate at MLR per annum, the principle is repayable on a monthly basis commencing on March 2013 which has term of repayment as followings :

<u>Installment</u>	<u>Principal Repayment per Installment</u> (Million Baht)
March 2013	6.0
April 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, as at June 30, 2013, remaining balance amount of Baht 200.81 million (December 31, 2012 : Baht 209.25 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 July 2013 onward and will completely repayment in December 2014. The principle debt bear interest rate at MLR per annum, the principle is repayable on a monthly basis commencing on March 2013 which has term of repayment as followings :

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<u>Installment</u>	<u>Principal Repayment per Installment</u> (Million Baht)
March 2013	3.0
April 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, as at June 30, 2013, remaining balance amount of Baht 143.88 million (December 31, 2012 : Baht 208.22 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 July 2013 onward and will completely repayment in December 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 June 2014 which has term of repayment as followings :

<u>Installment</u>	<u>Minimum Principal Repayment per</u> <u>Installment</u> (Million Baht)
September 2012	17.1
December 2012 - February 2013	grace period
March 2013 – March 2014	30.0
June 2014	Outstanding

As at June 30, 2013, the consolidated and separate financial statement, the company did not repayment the debt in accordance with the term payment of restructuring agreement. However, the Company has reclassified such debt to loan that due to repayment according to note No. 16.

Such debt under restructuring agreement constitutes collateral according to note No.15.

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23. INCOME TAX

Income tax expenses for the three-month and six-month periods ended June 30, 2013 and 2012 as follows:

	In Thousand Baht			
	For the three-month periods ended June 30			
	Consolidated financial statements		Separate financial statements	
	2013	2012 "Restated"	2013	2012 "Restated"
Current income tax expenses:				
Current income tax (expenses) for periods	(3,132)	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	4,938	11,026	-	-
Decrease in income tax rates	-	-	-	-
Income tax (expenses) revenues reported in the statement of comprehensive income	<u>1,806</u>	<u>11,026</u>	<u>-</u>	<u>-</u>

	In Thousand Baht			
	For the six-month periods ended June 30			
	Consolidated financial statements		Separate financial statements	
	2013	2012 "Restated"	2013	2012 "Restated"
Current income tax expenses:				
Current income tax (expenses) for periods	(7,260)	-	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	8,646	17,051	-	1,270
Decrease in income tax rates	28,392	-	-	-
Income tax (expenses) revenues reported in the statement of comprehensive income	<u>29,778</u>	<u>17,051</u>	<u>-</u>	<u>1,270</u>

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Reconciliation between income tax (expenses) revenues and the product of accounting profit (loss) multiplied by the applicable tax rates for the three-month and six-month periods ended June 30, 2013 and 2012 as follows:

	In Thousand Baht			
	For the three-month periods ended June 30			
	Consolidated financial statements		Separate financial statements	
	2013	2012 "Restated"	2013	2012 "Restated"
Accounting profit (loss) before tax	(127,607)	(80,595)	(114,544)	(49,822)
Applicable tax rate	20%	23%	20%	23%
Accounting profit (loss) before tax multiplied by applicable tax rate	25,521	18,537	22,909	11,459
Effects of deferred tax from decrease in tax rates	-	-	-	-
Effect of income exempt from tax and non-deductible expenses for tax purposes	(23,175)	(7,511)	(22,909)	(11,459)
Income tax (expenses) revenues reported in the statement of comprehensive income	1,806	11,026	-	-

	In Thousand Baht			
	For the six-month periods ended June 30			
	Consolidated financial statements		Separate financial statements	
	2013	2012 "Restated"	2013	2012 "Restated"
Accounting profit (loss) before tax	(251,295)	(206,783)	(205,539)	(110,820)
Applicable tax rate	20%	23%	20%	23%
Accounting profit (loss) before tax multiplied by applicable tax rate	50,259	47,560	41,108	25,489
Effects of deferred tax from decrease in tax rates	28,392	-	-	-
Effect of income exempt from tax and non-deductible expenses for tax purposes	(48,873)	(30,509)	(41,108)	(24,219)
Income tax (expenses) revenues reported in the statement of comprehensive income	29,773	17,051	-	1,270

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As at June 30, 2013 and December 31, 2012, the components of deferred tax assets and liabilities are as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	June	December	June	December
	30, 2013	31, 2012	30, 2013	31, 2012
		“Restated”		“Restated”
Deferred tax assets				
Allowance for doubtful accounts	2,053	1,147	-	-
Allowance for declining in value of inventories	1,167	1,125	-	-
Employee benefit obligations	408	455	-	-
Total	3,628	2,727	-	-
Deferred tax liabilities				
Fair value adjustment of property, plant and equipment	(184,265)	(220,402)	-	-
Total	(184,265)	(220,402)	-	-
Net	(180,637)	(217,675)	-	-

As at June 30, 2013, the consolidated financial statement, the Group had temporary differences for future tax deductible and unutilized tax losses carry forward which have not been recognized as deferred tax assets in the statement of financial position amount of Baht 1,095.21 million (December 31, 2012 : Baht 1,030.61 million) and the separate financial statement amount of Baht 810.44 million (December 31, 2012 : Baht 719.69 million) because it is not probable that it will be able to utilize the tax benefit in the foreseeable future.

24. EARNINGS (LOSS) PER SHARE

For the three-month and six-month periods ended June 30, 2013 and 2012, the Company calculates earnings (loss) per share as follows:

	In Thousand Baht / Thousand Shares			
	For the three-month periods ended June 30			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Earnings (loss) per share				
Loss for the period, equity holders of the parent	(103,481)	(55,171)	(114,544)	(49,822)
The weighted average of number of ordinary shares	1,002,913	1,000,000	1,002,913	1,000,000
Loss per share (Baht)	(0.103)	(0.055)	(0.114)	(0.050)

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	In Thousand Baht / Thousand Shares			
	For the six-month periods ended June 30			
	Consolidated financial statements		Separate financial statements	
	2013	2012	2013	2012
Earnings (loss) per share				
Loss for the period, equity holders of the parent	(187,841)	(156,126)	(205,539)	(109,550)
The weighted average of number of ordinary shares	1,002,913	1,000,000	1,002,913	1,000,000
Loss per share (Baht)	<u>(0.187)</u>	<u>(0.156)</u>	<u>(0.205)</u>	<u>(0.110)</u>

25. SEGMENT FINANCIAL INFORMATION

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance.

The Group is operating in business sector, i.e. (a) product and distribution of material type steel coil, steel slit and steel billets and distribution of finished goods type steel pipe and steel products including all steel pipe production and (b) manufacture foundation pile plus transportation and pile driving and, 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.

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The segment financial information of the Group is as follows:

	In Thousand Baht						
	Consolidated financial statements						
	For the three-month periods ended June 30, 2013						
	Steel Business			Business Piles		Eliminate	Total
	Distribution of Material	Distribution of Finished Good	Service	Produce and Distribution	Service		
Revenue from Sales and services							
- External Customer	184,918	287,223	2,649	71,019	27,249		573,058
- Inter-segment revenue	10,507	15,628	417	-	-	(26,552)	-
Total	195,425	302,851	3,066	71,019	27,249	(26,552)	573,058
Profit (loss) from Operation	2,789	(16,381)	(3,930)	826	3,863		(12,833)
Others income							9,130
Common expenses							(39,491)
Finance costs							(84,413)
Income tax (expenses)							
revenues							1,806
Profit (loss) for the period							(125,801)
Non - controlling interests							22,320
Profit (loss) for the equity holders of the company							(103,481)

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	In Thousand Baht					
	Consolidated financial statements					
	For the three-month periods ended June 30, 2012					
	Steel Business		Business Piles		Eliminate	Total
	Distribution of Material	Distribution of Finished Good	Service	Produce and Distribution	Service	
Revenue from Sales and services						
- External Customer	14,996	987,972	-	60,088	25,284	1,088,340
- Inter-segment revenue	-	189	317	-	-	(506)
Total	14,996	988,161	317	60,088	25,284	(506)
Profit (loss) from Operation	(543)	12,498	(8,775)	1,967	(5,854)	(707)
Others income						4,711
Common expenses						(22,675)
Finance costs						(61,924)
Income tax (expenses) revenues						11,026
Profit (loss) for the period						(69,569)
Non – controlling interests						14,398
Profit(loss) for the equity holders of the company						(55,171)

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	In Thousand Baht						
	Consolidated financial statements						
	For the six-month periods ended June 30, 2013						
	Steel Business			Business Piles		Eliminate	Total
	Distribution of Material	Distribution of Finished Good	Service	Produce and Distribution	Service		
Revenue from Sales and services							
- External Customer	301,077	922,620	4,506	153,635	58,696		1,440,534
- Inter-segment revenue	10,507	17,744	430	-	-	(28,681)	-
Total	<u>311,584</u>	<u>940,364</u>	<u>4,936</u>	<u>153,635</u>	<u>58,696</u>	<u>(28,681)</u>	<u>1,440,534</u>
Profit (loss) from Operation	<u>11,784</u>	<u>(49,438)</u>	<u>(15,234)</u>	<u>7,801</u>	<u>9,161</u>		(35,926)
Others income							14,123
Common expenses							(61,903)
Finance costs							(167,589)
Income tax (expenses)							
revenues							<u>29,778</u>
Profit (loss) for the period							(221,517)
Non - controlling interests							<u>33,676</u>
Profit (loss) for the equity holders of the company							<u>(187,841)</u>
Fixed assets	—————	1,034,949	—————	—————	474,589	—————	1,509,538
Other assets							<u>2,671,591</u>
Total assets							<u>4,181,129</u>

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In Thousand Baht							
Consolidated financial statements							
For the six-month periods ended June 30, 2012							
	Steel Business			Business Piles		Eliminate	Total
	Distribution of Material	Distribution of Finished Good	Service	Produce and Distribution	Service		
Revenue from Sales and services							
- External Customer	79,584	1,569,205	-	106,215	44,590		1,799,594
- Inter-segment revenue	-	1,289	3,241	-	-	(4,530)	-
Total	79,584	1,570,494	3,241	106,215	44,590	(4,530)	1,799,594
Profit (loss) from Operation	(1,143)	(9,649)	(13,164)	(13,600)	(5,490)		(43,046)
Others income							26,466
Common expenses							(49,368)
Finance costs							(140,835)
Income tax (expenses) revenues							17,051
Profit (loss) for the period							(189,732)
Non – controlling interests							33,606
Profit(loss) for the equity holders of the company							(156,126)
Fixed assets	1,091,860			538,871			1,630,731
Other assets							2,735,281
Total assets							4,366,012

26. LITIGATION

As at June 30, 2013 and December 31, 2012, two lawsuits had been filed against a subsidiary, claiming in the amount Baht 47.59 Million This comprised debt of Baht 46.82.million arising from the purchase of goods and interest charges of Baht 0.77 million plus interest rate at 7.50% per annum until the payment is settled. The subsidiary has recorded the full amount of this cost in its accounts. However, the amount payable has not yet been finalised because the case is being heard by the Court, However, the management of the Company and the subsidiary believe that no significant damage will be suffered by the Company and the subsidiary and no provision has been recorded in respect of the additional accrued interest in connection with these claims.

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As at June 30, 2013, a subsidiary and chief executive officer (on behalf of principal and agent) constitute prosecuted case claiming in allegation of defaults debt repayment and interest expense of the loan contract according to note No. 20, claiming in the amount of Baht 420.71 million plus interest rate at 15.00% per annum and borrowing fees at 11.40% per annum of principle in amount of Baht 300.00 million until the payment is settled. Currently, the case is being heard by the Court. The subsidiary has recognized such liabilities cover the damage.

27. OBLIGATIONS AND CONTINGENT LIABILITIES

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		Separate financial	
	statements		statements	
	June	December	June	December
	30, 2013	31, 2012	30, 2013	31, 2012
Contingent liabilities with				
Commercial banks				
- Letters of guarantee	7.97	4.97	1.99	1.99
Contingent liabilities with				
other person				
- Post - dated cheque for pledged	4.12	9.75	-	-