

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

Interim Financial Information

For the three-month and nine-month periods ended September 30, 2014

and Independent Auditor's Report on Review of Interim Financial Information

BPR AUDIT AND ADVISORY CO., LTD.

Independent Auditors

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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 September 30, 2014, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended September 30, 2014 and statements of changes in shareholders' equity, and cash flows for the nine-month period ended September 30, 2014 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 September 30, 2014, the related statements of comprehensive income for the three-month and nine-month periods ended September 30, 2014 and statements of changes in shareholders' equity and cash flows for the nine-month period ended September 30, 2014 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 Matters

Without qualifying my conclusion, I draw attention to note 1.2 to the interim financial statements which indicates that the Company and its subsidiaries incurred losses for the three-month and nine-month periods ended September 30, 2014 of Baht 81.50 million and Baht 217.71 million and the Company incurred losses for the three-month and nine-month periods ended September 30, 2014 of Baht 103.89 million and Baht 173.75 million. These conditions, along with other matters as set forth in note 29 to the interim financial statements, indicate the existence of a material uncertainty that may cast significant doubt about their ability to continue as a going concern.

Other Matter

The accompanying consolidated statement of financial position of Rich Asia Steel Public Company Limited and its subsidiaries, and the accompanying separate statement of financial position of Rich Asia Steel Public Company Limited as at December 31, 2013, presented herein as comparative information, were audited by another auditor in my firm expressed an unqualified opinion on those statements, whose report dated February 28, 2014, while drawing attention regarding the change in accounting policy made due to adoption of Thai Accounting Standard 12 “Income Taxes” which is effective. The accompanying consolidated statement of comprehensive income for the three-month and nine-month periods ended September 30, 2013 and the statements of changes in shareholders’ equity and cash flows for the nine-month period ended September 30, 2013 of Rich Asia Steel Public Company Limited and its subsidiaries, and the accompanying separate statement of comprehensive income for the three-month and nine-month periods ended September 30, 2013 and the statements of changes in shareholders’ equity and cash flows for the nine-month period ended September 30, 2013 of Rich Asia Steel Public Company Limited, presented herein as comparative information, were also reviewed by the aforementioned auditor who concluded, under his report dated November 13, 2013, that nothing had come to his attention that caused him to believe that the interim financial information was not prepared, in all material respects, in accordance with Thai Accounting Standard No.34 “Interim Financial Reporting” and drawing attention regarding the change in accounting policy made due to adoption of Thai Accounting Standard 12 “Income Taxes” which is effective.

(Mr. Boonlert Kaewphanpurk)
Independent Auditor
Registration No. 4165

BPR AUDIT AND ADVISORY CO., LTD.
Bangkok
November 14, 2014

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2014

		In Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		September	December	September	December
		30, 2014	31, 2013	30, 2014	31, 2013
		"Unaudited"	"Audited"	"Unaudited"	"Audited"
Notes		"Reviewed"		"Reviewed"	
ASSETS					
CURRENT ASSETS					
		10,718	4,905	952	3,295
Cash and cash equivalents					
Trade and other receivables - other	7	1,625,070	1,647,371	1,264,694	1,360,022
Trade and other receivables - related parties	6,8	-	-	63,292	92,171
Inventories	9	615,064	597,141	473,594	388,150
Advance payment for goods	10	132,477	132,735	58,083	95,836
Other current assets		8,519	8,267	584	691
Total Current Assets		2,391,848	2,390,419	1,861,199	1,940,165
NON - CURRENT ASSETS					
Bank deposit pledged as collateral		8,138	7,287	707	7
Investment in subsidiaries	11	-	-	921,189	984,689
Investment property	12	17,110	17,946	10,002	10,690
Property, plant and equipment	13	1,473,876	1,503,800	79,662	86,082
Retention receivable		18,979	35,075	-	-
Deferred tax assets	25	3,803	2,426	-	-
Other - non current assets		4,144	4,379	418	418
Total non - current assets		1,526,050	1,570,913	1,011,978	1,081,886
TOTAL ASSETS		3,917,898	3,961,332	2,873,177	3,022,051

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2014

		In Thousand Baht			
		Consolidated financial statements		Separate financial statements	
		September 30, 2014 “Unaudited” “Reviewed”	December 31, 2013 "Audited"	September 30, 2014 “Unaudited” “Reviewed”	December 31, 203 "Audited"
	Notes				
LIABILITIES AND SHAREHOLDERS' EQUITY					
CURRENT LIABILITIES					
Loans that due for repayment	15	-	-	-	-
Bank overdrafts and short-term loans from financial institutions	16	906,713	749,514	691,576	734,529
Trade and other payables - others	17	455,717	579,383	335,687	469,385
Trade and other payables - related parties	6,18	12,384	12,438	20,951	17,416
Current portion					
- Liabilities under finance lease agreement	20	2,351	916	68	459
- Liabilities under debt restructuring agreement	21	30,400	44,200	30,400	44,200
Short - term loans from others	19	300,000	304,226	-	-
Short - term loans from related parties	6	5,000	5,000	177,604	53,864
Income tax payable		14,062	10,268	-	-
Accrued interest		243,078	175,375	5,989	628
Advance received for goods		7,142	16,636	7,141	7,141
Other current liabilities		3,462	1,510	5	5
Total current liabilities		1,980,309	1,899,466	1,269,421	1,327,627
NON - CURRENT LIABILITIES					
Long - term trade payables	17	9,765	18,965	-	-
Liabilities under finance lease agreement	20	5,018	415	-	-
Debt under restructuring agreement	21	1,355,106	1,281,627	1,355,106	1,281,627
Employee benefit obligations	22	4,833	4,864	1,050	1,932
Deferred tax liabilities	25	164,850	175,458	-	-
Others non - current liabilities		81	81	-	-
Total non - current liabilities		1,539,653	1,481,410	1,356,156	1,283,559
TOTAL LIABILITIES		3,519,962	3,380,876	2,625,577	2,611,186
SHAREHOLDERS' EQUITY					
Share capital - common shares, Baht 1.00 par value					
Authorized share capital					
- 1,322,913,226 shares, Baht 1.00 par value in 2014 and					
- 4,000,000,000 shares, Baht 1.00 par value in 2013	23	1,322,913	4,000,000	1,322,913	4,000,000
Issued and fully paid - up share capital					
- 1,025,640,498 shares, Baht 1.00 par value in 2014 and					
- 1,002,913,226 shares, Baht 1.00 par value in 2013	23	1,025,640	1,002,913	1,025,640	1,002,913
Premium on share capital		400,422	413,967	400,422	413,967
Deficit		(1,338,020)	(1,177,712)	(1,178,462)	(1,006,015)
Other component of equity		65,475	73,721	-	-
Total equity attributable to equity holders of the parent company		153,517	312,889	247,600	410,865
Non - controlling interests		244,419	267,567	-	-
Total Shareholders' equity		397,936	580,456	247,600	410,865
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		3,917,898	3,961,332	2,873,177	3,022,051

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE - MONTH PERIOD ENDED SEPTEMBER 30, 2014

"UNAUDITED"
"REVIEWED"

		In Thousand Baht			
		Consolidated financial statements		Separate financial statements	
	Notes	2014	2013	2014	2013
REVENUES					
Revenue from sales		598,208	878,609	384,654	718,441
Revenue from services		35,856	24,977	-	-
Gain on sales of fixed assets		23,397	97	8	-
Other incomes		5,136	16,975	4,802	11,752
Total Revenues		662,597	920,658	389,464	730,193
EXPENSES					
Cost of sales		595,982	901,463	377,153	731,246
Cost of services		28,250	23,446	-	-
Selling expenses		2,697	5,801	154	611
Administrative expenses		44,635	27,759	28,771	18,979
Loss on impairment of investment in subsidiary		-	-	42,500	32,000
Loss on sale of investment in available - for - sale securities		-	26,549	-	26,549
Doubtful accounts		11,074	5,292	11,793	-
Management benefit expenses	6	2,348	2,744	2,348	2,744
Finance costs		52,898	61,586	30,633	41,184
Total Expenses		737,884	1,054,640	493,352	853,313
LOSS BEFORE INCOME TAX		(75,287)	(133,982)	(103,888)	(123,120)
Income tax (expenses) revenues	25	(6,210)	2,047	-	-
LOSS FOR THE PERIOD		(81,497)	(131,935)	(103,888)	(123,120)
Other comprehensive income (loss)					
- Change in fair value of securities available for sale		-	(14,502)	-	(14,502)
- Reclassified to loss on sale of investment in available - for - sale securities		-	26,549	-	26,549
Other comprehensive income for the period		-	12,047	-	12,047
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(81,497)	(119,888)	(103,888)	(111,073)
Loss for the period attributable to :					
Equity holders of the parent company		(62,539)	(113,313)	(103,888)	(123,120)
Non - controlling interests		(18,958)	(18,622)	-	-
		(81,497)	(131,935)	(103,888)	(123,120)
Total comprehensive loss for the period attributable to :					
Equity holders of the parent company		(62,539)	(101,266)	(103,888)	(111,073)
Non - controlling interests		(18,958)	(18,622)	-	-
		(81,497)	(119,888)	(103,888)	(111,073)
BASIC LOSS PER SHARE					
Equity holders of the parent company (Baht)	26	(0.06)	(0.11)	(0.10)	(0.12)

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE NINE - MONTH PERIOD ENDED SEPTEMBER 30, 2014

"UNAUDITED"
"REVIEWED"

		In Thousand Baht			
		Consolidated financial statements		Separate financial statements	
Notes		2014	2013	2014	2013
REVENUES					
		2,088,079	2,258,172	1,653,045	1,818,804
		70,874	85,947	-	-
		23,397	101	8	8
		25,993	25,264	23,858	24,640
	Total Revenues	2,208,343	2,369,484	1,676,911	1,843,452
EXPENSES					
		2,109,470	2,316,800	1,627,442	1,847,609
		57,929	84,568	-	-
		8,237	9,365	621	2,055
		88,864	64,248	60,780	46,593
		-	-	63,500	68,000
		-	25,816	-	25,816
		13,087	16,679	11,793	5,668
	6	7,491	8,111	7,491	8,111
		140,203	229,175	79,035	168,259
	Total Expenses	2,425,281	2,754,762	1,850,662	2,172,111
LOSS BEFORE INCOME TAX		(216,938)	(385,278)	(173,751)	(328,659)
	Income tax (expenses) revenues	23	(773)	31,825	-
LOSS FOR THE PERIOD		(217,711)	(353,453)	(173,751)	(328,659)
Other comprehensive income (loss)					
-	Change in fair value of securities available for sale	-	(58,327)	-	(58,327)
-	Reclassified to loss on sale of investment in available - for - sale securities	-	25,816	-	25,816
-	Defined benefit plan actuarial gain	757	-	1,304	-
-	Income tax on other comprehensive income	192	-	-	-
Other comprehensive income (loss) for the period		949	(32,511)	1,304	(32,511)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD		(216,762)	(385,964)	(172,447)	(361,170)
Loss for the period attributable to :					
	Equity holders of the parent company	(161,059)	(301,155)	(173,751)	(328,659)
	Non - controlling interests	(56,652)	(52,298)	-	-
		(217,711)	(353,453)	(173,751)	(328,659)
Total comprehensive loss for the period attributable to :					
	Equity holders of the parent company	(160,308)	(333,666)	(172,447)	(361,170)
	Non - controlling interests	(56,454)	(52,298)	-	-
		(216,762)	(385,964)	(172,447)	(361,170)
BASIC LOSS PER SHARE					
	Equity holders of the parent company (Baht)	24	(0.16)	(0.30)	(0.17)
					(0.33)

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE - MONTH PERIOD ENDED SEPTEMBER 30, 2014

"UNAUDITED"
"REVIEWED"

In Thousand Baht									
Consolidated financial statements									
Notes	Issued and fully paid - up share capital	Premium on share capital	Unappropriated (Deficit)	Surplus from change in shareholding of subsidiary	Other component of equity		Total equity attributable to equity holders of the parent	Non - controlling interests	Total shareholders' equity
					Other comprehensive income (expense)				
					Change in fair value of securities available for sale	Total Other component of equity			
Balance as at January 1, 2014	1,002,913	413,967	(1,177,712)	73,721	-	73,721	312,889	267,567	580,456
Comprehensive income (loss) for the period									
Loss for the period	-	-	(161,059)	-	-	-	(161,059)	(56,652)	(217,711)
Other comprehensive income	-	-	751	-	-	-	751	198	949
Total comprehensive loss for the period	-	-	(160,308)	-	-	-	(160,308)	(56,454)	(216,762)
Common shares increase by convertible debenture conversion	23,24	22,727	(13,545)	-	-	-	9,182	-	9,182
Deficit from change in shareholding of subsidiary	11	-	-	(8,246)	-	(8,246)	(8,246)	8,246	-
Non - controlling interests increase	11	-	-	-	-	-	-	25,060	25,060
Balance as at September 30, 2014		1,025,640	400,422	(1,338,020)	65,475	-	65,475	153,517	244,419
Balance as at January 1, 2013		1,002,913	413,967	(819,794)	73,721	(11,432)	62,289	659,375	334,930
Comprehensive income (loss) for the period									
Loss for the period	-	-	(301,155)	-	(32,511)	(32,511)	(333,666)	(52,298)	(385,964)
Other comprehensive income	-	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(301,155)	-	(32,511)	(32,511)	(333,666)	(52,298)	(385,964)
Balance as at September 30, 2013		1,002,913	413,967	(1,120,949)	73,721	(43,943)	29,778	325,709	282,632

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
FOR THE NINE - MONTH PERIOD ENDED SEPTEMBER 30, 2014

"UNAUDITED"
"REVIEWED"

In Thousand Baht					
Separate financial statements					
Notes	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, 2014	1,002,913	413,967	(1,006,015)	-	410,865
Comprehensive income (loss) for the period					
Loss for the period	-	-	(173,751)	-	(173,751)
Other comprehensive income	-	-	1,304	-	1,304
Total comprehensive loss for the period	-	-	(172,447)	-	(172,447)
Common shares increase by convertible debenture conversion	23,24	22,727	(13,545)	-	9,182
Balance as at September 30, 2014	<u>1,025,640</u>	<u>400,422</u>	<u>(1,178,462)</u>	<u>-</u>	<u>247,600</u>
Balance as at January 1, 2013	1,002,913	413,967	(612,676)	(11,432)	792,772
Comprehensive income (loss) for the period					
Loss for the period	-	-	(328,659)	(32,511)	(361,170)
Other comprehensive income	-	-	-	-	-
Total comprehensive income (loss) for the period	-	-	(328,659)	(32,511)	(361,170)
Balance as at September 30, 2013	<u>1,002,913</u>	<u>413,967</u>	<u>(941,335)</u>	<u>(43,943)</u>	<u>431,602</u>

The accompanying notes are an integral part of these financial statements

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS
FOR THE NINE - MONTH PERIOD ENDED SEPTEMBER 30, 2014

"UNAUDITED"
"REVIEWED"

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES				
Loss before income tax	(216,938)	(385,278)	(173,751)	(328,659)
Adjustments for				
Depreciation for fixed assets	111,220	95,687	6,764	7,243
Depreciation for investment property	836	1,044	688	688
Doubtful accounts	13,087	16,679	11,793	5,668
Employee benefit expense from share base payment transaction	10,060	-	-	-
Unrealized gain from investment in trading security	-	(123)	-	(123)
Unrealized gain from investment in available - for - sale securities	-	25,816	-	25,816
Unrealized loss from exchange rate	6,036	2,064	5,505	2,064
Gain on sale of fixed assets	(23,397)	(101)	(8)	(8)
Loss from impairment of investment in subsidiary	-	-	63,500	68,000
Loss from declining in value of inventories (Reversal)	404	38,362	(2,322)	29,804
Loss from written-off fixed assets	76	15	6	-
Employee benefit expenses	562	271	383	176
Interest income	(152)	(70)	-	-
Interest expenses of employee benefits	164	119	39	57
Interest expenses	138,741	228,425	78,969	168,055
Profit (loss) from operating activities before change in operating assets and liabilities	40,699	22,910	(8,434)	(21,219)
Decrease (Increase) in operating assets				
Trade and other receivables - others	31,325	403,935	83,536	300,150
Trade and other receivables - related parties	-	-	28,879	(66,832)
Inventories	(19,295)	(387,702)	(83,450)	(216,691)
Advance payment for goods	1,225	27,961	38,081	25,684
Other current assets	(776)	1,487	396	769
Retention receivable	16,096	(13,988)	-	-
Other non-current assets	235	(6,812)	-	(47)
Increase (Decrease) in operating liabilities				
Trade and other payables - others	(137,371)	(38,114)	(139,203)	(1,485)
Trade and other payables - related parties	(29)	(955)	(1,319)	(939)
Advance receive for goods	(9,494)	(2,270)	-	(2,269)
Long - term trade payables	(9,200)	-	-	-
Other current liabilities	1,951	(1,004)	-	5
Cash generated (paid) from operation	(84,634)	5,448	(81,514)	17,126
Cash paid from income tax	(6,433)	(642)	(289)	(303)
Cash received from interest income	154	72	-	-
Net Cash Provided by (Used in) from Operating Activities	(90,913)	4,878	(81,803)	16,823
CASH FLOWS FROM INVESTING ACTIVITIES				
(Increase) Decrease in bank deposits pledged as collateral	(851)	28,863	(700)	27,464
Cash received from sale of fixed assets	7	140	7	8
Cash paid purchase of fixed assets	(64,407)	(22,376)	(350)	(73)
Cash received for purchase of investment in available - for - sale securities	-	44,484	-	44,484
Net Cash Provided by (Used in) from Investing Activities	(65,251)	51,111	(1,043)	71,883

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE NINE - MONTH PERIOD ENDED SEPTEMBER 30, 2014

"UNAUDITED"
"REVIEWED"

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
CASH FLOWS FROM FINANCING ACTIVITIES				
Increase (Decrease) in bank overdrafts and short-term loans from financial institutions	154,174	82,718	(45,978)	50,876
Cash paid for liabilities under finance lease agreement	(2,084)	(610)	(404)	(553)
Cash paid for loans that due to repayment	-	(17,026)	-	(17,026)
Cash paid for debt under restructuring agreement	-	(79,582)	-	(79,582)
Cash received from short - term loans from subsidiary	-	-	226,620	144,975
Cash paid for short - term loan from subsidiary	-	-	(102,880)	(144,317)
Cash paid for short - term loans from other person	(4,226)	-	-	-
Cash received from increase share capital of subsidiary	15,000	-	-	-
Cash paid for interest expenses	(10,069)	(34,745)	(6,037)	(32,818)
Cash received from convertible debenture conversion to common shares	9,182	-	9,182	-
Net Cash Provided (Used in) from Financing Activities	161,977	(49,245)	80,503	(78,445)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,813	6,744	(2,343)	10,261
Cash and Cash Equivalents - Beginning of Period	4,905	7,930	3,295	3,482
CASH AND CASH EQUIVALENT END OF PERIOD	10,718	14,674	952	13,743
Supplementary Disclosure of Cash Flow Information - non cash items				
1. Purchase of Property, plant and equipment by credit	17,029	23,511	-	2,038
2. Sale fixed asset by credit	23,453	-	-	8
3. Offsetting between trade receivable and trade payable	1,341	3,763	-	-
4. Transferred debt under restructuring agreement to loans due for repayment	-	610,696	-	610,696
5. Transferred loans due for repayment to debt under restructuring agreement	-	1,031,358	-	1,031,358
6. Transferred accrued interest to debt under restructuring agreement	-	286,920	-	286,920
7. Investment in available - for - sale securities decrease from unrealized loss	-	43,943	-	43,943

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Interim Financial Statements
For the three-month and nine-month periods ended September 30, 2014 (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 14, 2014.

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, Thailand.

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 pile driving and concrete product.

1.2. GOING CONCERN

The Company and its subsidiaries incurred losses for the three-month and nine-month periods ended September 30, 2014 of Baht 81.50 million and Baht 217.71 million (For the three-month and nine-month periods ended September 30, 2013 : Baht 131.94 million and Baht 353.45 million) The Company made losses for the three-month and nine-month periods ended September 30, 2014 of Baht 103.89 million and Baht 173.75 million (For the three-month and nine-month periods ended September 30, 2013 : Baht 123.12 million and Baht 328.66 million). These conditions, along with other matters as set forth in note 29 to the interim financial statements, indicate the existence of a material uncertainty that may cast significant doubt about their ability to continue as a going concerns. The Company and its subsidiaries need 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 Company's or the subsidiaries' assets) should the Company and its subsidiaries 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 management are confident the planned capital raisings will be successful.

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 2012) 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 Company and its subsidiaries's functional currency.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Interim Financial Statements (continued)
For three-month and nine-month periods ended September 30, 2014 (Reviewed)

The interim financial statements are prepared to provide an update on the financial statements for the year ended December 31, 2013. 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, 2013.

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 2013, 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 Holdings (%)	
		Paid-up share capital		September 30, 2014	December 31, 2013
		September 30, 2014	December 31, 2013		
Thai National Product Co., Ltd.	Foundation pile manufacturing, delivery, pile driving and concrete product	271	261	96.31	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. However, during the period, the Company has changed percentage of holding in its' subsidiary as mention in note 11 to the interim 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 December 31, 2013, summary of additional significant accounting policy are as follows:

Share-based payments

The grant-date fair value of share-based payment awards granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period that the employees become unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the actual number of awards for which the related service and non-market vesting conditions are expected to be met.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Interim Financial Statements (continued)
For three-month and nine-month periods ended September 30, 2014 (Reviewed)

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:

		<u>Effective date</u>
Accounting Standard:		
TAS 1 (Revised 2012)	Presentation of Financial Statements	January 1, 2014
TAS 7 (Revised 2012)	Statement of Cash Flows	January 1, 2014
TAS 12 (Revised 2012)	Income Taxes	January 1, 2014
TAS 17 (Revised 2012)	Leases	January 1, 2014
TAS 18 (Revised 2012)	Revenues	January 1, 2014
TAS 19 (Revised 2012)	Employee Benefits	January 1, 2014
TAS 21 (Revised 2012)	The Effect of changes in Foreign Exchange Rate	January 1, 2014
TAS 24 (Revised 2012)	Related Party Disclosures	January 1, 2014
TAS 28 (Revised 2012)	Investment in Associates	January 1, 2014
TAS 31 (Revised 2012)	Interests In Joint Ventures	January 1, 2014
TAS 34 (Revised 2012)	Interim Financial Reporting	January 1, 2014
TAS 38 (Revised 2012)	Intangible Assets	January 1, 2014
Financial Reporting Standard:		
TFRS 2 (Revised 2012)	Share - Based Payments	January 1, 2014
TFRS 3 (Revised 2012)	Business Combinations	January 1, 2014
TFRS 4	Insurance Contracts	January 1, 2016
TFRS 5 (Revised 2012)	Non-Current Assets Held for Sale and Discontinued Operations	January 1, 2014
TFRS 8 (Revised 2012)	Operating Segments	January 1, 2014
Accounting Standard Interpretations:		
TSIC 15	Operating Leases-Incentives	January 1, 2014
TSIC 27	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	January 1, 2014
TSIC 29	Service Concession Arrangements: Disclosures	January 1, 2014
TSIC 32	Intangible Assets-Web Site Costs	January 1, 2014
Financial Reporting Standard Interpretations:		
TFRIC 1	Changes in Existing Decommissioning, Restoration and Similar Liabilities	January 1, 2014
TFRIC 4	Determining whether an Arrangement contains a Lease	January 1, 2014
TFRIC 5	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	January 1, 2014
TFRIC 7	Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	January 1, 2014
TFRIC 10	Interim Financial Reporting and Impairment	January 1, 2014

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
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For three-month and nine-month periods ended September 30, 2014 (Reviewed)

		Effective date
TFRIC 12	Service Concession Arrangements	January 1, 2014
TFRIC 13	Customer Loyalty Programs	January 1, 2014
TFRIC 17	Distributions of Non-cash Assets to Owners	January 1, 2014
TFRIC 18	Transfers of Assets from Customers	January 1, 2014

The revised accounting standard, revised financial reporting standards and related interpretations have no significant impact to the Company.

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 persons or companies are as follows:

Name of Companies	Type of business	Type of relationship
Thai National Product Co., Ltd	Foundation pile manufacturing, delivery, pile driving and concrete product	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
G.T. STEEL WORKS Co., Ltd.	Production and distribution of steel	Closed cousin of executive officer are director and shareholders
Ms. Angkakarn tantiviroon		Shareholder (In 2013 was director and resign on May 15, 2014)
Mr. Somkiat Vongsarojana		Director
Mr. Teera Phoncharoensuk		Director
Ms. Arporn Seneeprakornkrai		Shareholder

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Interim Financial Statements (continued)
For three-month and nine-month periods ended September 30, 2014 (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
Consultation fees	Contract price
Interest expense	Interest rate 6.75 – 6.88% and 12.00% per annum (2013 : 7.00% and 12.00% per annum)

Significant revenues and expenses derived from transactions with related parties for the three-month and nine-month periods ended September 30, 2014 and 2013 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	
	2014	2013	2014	2013
Transaction with related companies				
Consultation fees	1,020	-	1,380	-
Interest expense	150	855	450	2,656
	In Thousand Baht			
	Separate financial statements			
	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2014	2013	2014	2013
Transaction with related person				
Consultation fees	1,020	-	1,380	-
Transaction with subsidiary companies (Eliminated from consolidated financial statements)				
Revenues from sales	9,529	301	9,919	2,418
Revenues from sales raw material	91,992	104,364	453,517	114,870
Others income	14	102	177	523
Purchase of goods	-	7,141	45,306	22,768
Subcontract production cost	-	762	8	1,192
Others expense	-	8	-	289
Sale of fixed assets	-	-	-	4
Purchase of fixed assets	-	-	-	18
Interest expense	2,622	855	4,853	2,656

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Interim Financial Statements (continued)
For three-month and nine-month periods ended September 30, 2014 (Reviewed)

The balances of receivables from and payables to related parties as at September 30, 2014 and December 31, 2013 are as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
Trade and other account receivables				
Thai National Product Co., Ltd	-	-	9,910	65
Siam Ferro Industry Co., Ltd	-	-	58,678	97,402
Total	-	-	68,588	97,467
Less Allowance for doubtful debt	-	-	(5,296)	(5,296)
Net	-	-	63,292	92,171
Trade and other account payables				
Thai National Product Co., Ltd	-	-	9,166	4,312
Siam Ferro Industry Co., Ltd.	-	-	-	1,290
G.T. Steel Works Co., Ltd.	11,747	11,747	11,747	11,747
Director	24	666	24	67
Shareholder	613	25	14	-
Total	12,384	12,438	20,951	17,416
Loan from				
Thai National Product Co., Ltd				
(Interest rate 6.75 – 7.00% per annum)				
Balance as at beginning	-	-	53,864	48,466
Increase	-	-	226,620	197,345
Decrease	-	-	(102,880)	(191,947)
Balance as at the end	-	-	177,604	53,864
Shareholder				
(Interest rate 12.00%)				
Balance as at beginning	5,000	5,000	-	-
Increase	-	5,000	-	-
Decrease	-	(5,000)	-	-
Balance as at the end	5,000	5,000	-	-
Total short-term loan	5,000	5,000	177,604	53,864

Short - term loan from shareholder amount of Baht 5 million, the subsidiary 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 nine-month periods ended September 30, 2014 (Reviewed)

For the three-month and nine-month periods ended September 30, 2014 and 2013, 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	
	2014	2013	2014	2013
Key managements personnel compensation				
Short-term employee benefits	2,346	2,688	7,484	7,942
Post-employment benefits	2	56	7	169
Total	2,348	2,744	7,491	8,111

	In Thousand Baht			
	Separate financial statements			
	For the three-month periods ended September 30		For the nine-month periods ended September 30	
	2014	2013	2014	2013
Key managements personnel compensation				
Short-term employee benefits	2,346	2,688	7,484	7,942
Post-employment benefits	2	56	7	169
Total	2,348	2,744	7,491	8,111

7. TRADE AND OTHER RECEIVABLES - OTHERS

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
Trade receivables				
Post dated cheques	54,378	56,126	53,940	50,387
Account receivable-returned cheques	2,037	2,038	-	-
Trade receivables	1,585,065	1,619,427	1,217,977	1,307,823
Total	1,641,480	1,677,591	1,271,917	1,358,210
Less Allowance for doubtful debt	(68,181)	(55,094)	(21,698)	(9,905)
Net	1,573,299	1,622,497	1,250,219	1,348,305
Other receivables				
Revenue department receivable	6,618	9,343	123	-
Other receivables	42,312	13,302	12,587	10,143
Others	2,841	2,229	1,765	1,574
	51,771	24,874	14,475	11,717
Total	1,625,070	1,647,371	1,264,694	1,360,022

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Interim Financial Statements (continued)
For three-month and nine-month periods ended September 30, 2014 (Reviewed)

As at September 30, 2014 and December 31, 2013, the trade and note receivables are classified by aging as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
Within credit term	478,676	918,227	289,931	813,110
Over due 1 to 90 days	280,214	480,521	242,424	325,356
Over due 91 to 180 days	528,240	171,625	479,724	162,782
Over due 181 to 365 days	265,616	49,883	218,488	47,057
Over due over 1 year	88,734	57,335	41,350	9,905
Total	1,641,480	1,677,591	1,271,917	1,358,210
Less Allowance for doubtful debt - trade receivables	(68,181)	(55,094)	(21,698)	(9,905)
Net	1,573,299	1,622,497	1,250,219	1,348,305

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Bad debts and doubtful debts expense				
- for the three-month period ended September 30	11,074	5,292	11,793	-
- for the nine-month period ended September 30	13,087	11,011	11,793	-

As at September 30, 2014, the consolidated financial statements and separate financial statements, after the reporting period, the Company and its subsidiaries have already received from account receivable over due over 1 year amount of Baht 22.30 million.

As at September 30, 2014, the consolidated financial statements, the Company and its subsidiaries factored some post dated cheques in the amount of Baht 28.19 million (December 31, 2013 : Baht 27.00 million), the separate financial statements in amount of Baht 27.00 million (December 31, 2013 : Baht 27.00 million) to discount with the financial institution. The Company and its subsidiaries still has to take responsibility in the notes receivable if the financial institution cannot collect debt repayment from such notes receivables.

As at September 30, 2014, the consolidated financial statements, part of trade receivables in amount of Baht 60.65 million (December 31, 2013 : Baht 19.27 million) had be transferred the right of collection to one financial institution. The subsidiary still has to take responsibility in the trade receivables if the financial institution cannot collect debt repayment in accordance with such trade receivables.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Interim Financial Statements (continued)
For three-month and nine-month periods ended September 30, 2014 (Reviewed)

8. TRADE AND OTHER RECEIVABLES - RELATED PARTIES

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
Trade receivables	-	-	63,291	92,143
Other receivables	-	-	5,297	5,324
Total	-	-	68,588	97,467
Less Allowance for doubtful debt-other account receivable	-	-	(5,296)	(5,296)
Net	-	-	63,292	92,171

As at September 30, 2014 and December 31, 2013, the trade receivables - related parties are classified by aging as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
Within credit term	-	-	24,731	24,399
Over due 1 to 90 days	-	-	18,166	46,010
Over due 91 to 180 days	-	-	-	21,734
Over due 181 to 365 days	-	-	5	-
Over due over 1 year	-	-	20,389	-
Total	-	-	63,291	92,143

9. INVENTORIES

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
Finished goods	514,447	437,885	451,559	327,701
Work in process	-	268	-	-
Raw materials	105,570	133,750	21,553	61,807
Goods in transit	-	28,735	-	-
Supplies	10,972	11,057	1,134	1,288
Total	630,989	611,695	474,246	390,796
Less Allowance for declining in value of inventories	(15,925)	(14,554)	(652)	(2,646)
Net	615,064	597,141	473,594	388,150

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Interim Financial Statements (continued)
For three-month and nine-month periods ended September 30, 2014 (Reviewed)

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Loss of allowance for declining in value of inventories (Reversal) :				
- for the three-month periods ended September 30	3,778	17,144	137	18,847
- for the nine-month periods ended September 30	1,371	39,240	(1,994)	30,682

10. ADVANCE PAYMENT FOR GOODS

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
Advance payment for goods	139,572	140,797	64,500	102,581
Less Allowance for declining in value of inventories	(1,427)	(2,394)	(749)	(1,077)
Doubtful debts expense	(5,668)	(5,668)	(5,668)	(5,668)
Net	<u>132,477</u>	<u>132,735</u>	<u>58,083</u>	<u>95,836</u>

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Loss of allowance for declining in value of inventories (Reversal) :				
- for the three-month period ended September 30	993	-	347	-
- for the nine-month period ended September 30	(967)	(878)	(328)	(878)
Bad debts and doubtful debts expense :				
- for the three-month period ended September 30	-	-	-	-
- for the nine-month period ended September 30	-	5,668	-	5,668

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Interim Financial Statements (continued)
For three-month and nine-month periods ended September 30, 2014 (Reviewed)

11. INVESTMENT IN SUBSIDIARIES

	Separate financial statements					
	In Thousand Baht					
	Percentage of direct and indirect Holding		Paid-up capital		Investment value Cost method	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
SUBSIDIARIES						
• Thai National Product Co., Ltd	96.31	100.00	271,006	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						
- Siam Ferro Industry Co., Ltd.					(254,351)	(190,851)
Net					921,189	984,689
					In Thousand Baht	
					2014	2013
Impairment loss :						
- for the three-month period ended September 30					42,500	32,000
- for the nine-month period ended September 30					63,500	68,000

In December 2013, Thai National Product Company Limited ("Subsidiary") entered into a contract to transfer its right over claim on a trade receivables without recourse to a director of subsidiary (Transferee) at the transfer price of Baht 15.00 million. The book value of receivables amount of Baht 2.81 million (principle amount Baht 15.30 million less allowance for doubtful account amounting to Baht 12.49 million). The subsidiary agreed to compensate the transferee by providing an option to subscribe such number of new common shares of the subsidiary before the subsidiary has public offering its common shares to The Stock Exchange of Thailand. The option provides the right to subscribe such shares not more than the amount of fees for debt transferred. The exercise price is equivalent to the market price as at the exercise date with determine by price to earnings ratio method of latest financial statements before transferee invests. If the transferee does not exercise the right within the relevant period, the transferee give up its right to invest.

These transactions are considered to be share-based payment transactions. However, the determination of exercise price with equivalent to the market price with determine by price to earnings ratio method is estimated from the financial information prepared by the management.

In September 2014, Thai National Product Company Limited increased its share capital from Baht 261,006,000 to Baht 271,006,000 by issue new common shares amount of 1,000,000 shares at par value of Baht 10 per share to sell to the director of subsidiary. The subsidiary and the director of subsidiary have changed in term and condition of share-based payment including revision the estimated fair values of share by a qualified independent financial advisor with using the Discounted Cash Flows model (DCF). The key financial assumptions used were the Weighted Average Cost of Capital (WACC) rate of 8.56 % per annum, the Terminal Growth rate at 3 % per annum, sales growth rate at 0 - 1 % per annum and sale price growth rate at 3 % per annum which based from the construction price index.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Interim Financial Statements (continued)
For three-month and nine-month periods ended September 30, 2014 (Reviewed)

The director of subsidiary has exercise the right to purchase subsidiary's shares in amount of 1,000,000 shares, exercise price is Baht 15 per share and the fair value of share with determine by discounted cash flows model is Baht 25.06 per share. The subsidiary has recognized the related expenses in the financial statements for the three-month and nine-month periods ended September 30, 2014 amounting to Baht 10.1 million as "employee benefit expenses" with a corresponding increase in equity as "surplus on share-based payment transactions" at the same amount which presented including in non - controlling interests in the consolidated financial statements. After the subsidiary's director exercised its right, as a result, the dilution of the Company's shareholding in the subsidiary from 100 % to 96.31 %. In this regard, the Company recorded the effect from change in shareholding amount of Baht 8.25 million in "Surplus from change in shareholding in subsidiary" and presented under shareholder's equity in the consolidated financial statements.

12. INVESTMENT PROPERTY

For the nine-month period ended September 30, 2014, the movements of investment property were as follows:

	In Thousand Baht	
	Consolidated financial statements	Separate financial statements
Net book value as at January 1, 2014	17,946	10,690
Depreciation for the periods	(836)	(688)
Net book value as at September 30, 2014	17,110	10,002

As at September 30, 2014, the consolidated financial statements, the Company and its subsidiaries' investment property in the book value of Baht 17.11 million (December 31, 2013 : Baht 17.94 million) are pledged for collateral for short - term loan from related parties and loans granted by financial institutions.

As at September 30, 2014 and December 31, 2013, the separate financial statements, the whole amount of investment property are pledged for loans granted by financial institutions.

13. PROPERTY, PLANT AND EQUIPMENT

For the nine-month period ended September 30, 2014, the movements are as follows:

	In Thousand Baht	
	Consolidated financial statements	Separate financial statements
Net book value as at January 1, 2014	1,503,800	86,082
Acquisitions	81,436	350
Transfer in	65,957	-
Transfer out	(65,957)	-
Disposal	(140)	(6)
Depreciation for the period	(111,220)	(6,764)
Net book value as at September 30, 2014	1,473,876	79,662

Consolidated Financial Statements

As at September 30, 2014, The Company and its subsidiaries mortgaged land plus building in book value of Baht 440.76 million (December 31, 2013 : Baht 445.77 million) and some machine in book value of Baht 26.43 million (December 31, 2013 : Baht 39.04 million) are collateral of loans from the financial institutes.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Interim Financial Statements (continued)
For three-month and nine-month periods ended September 30, 2014 (Reviewed)

As at September 30, 2014, The Company and its subsidiaries mortgaged land plus building in the book value of Baht 542.89 million (December 31, 2013 : Baht 564.95 million) are collateral of short term loans from other company according to note 18 to interim financial statements.

Separate Financial Statements

As at September 30, 2014, the Company mortgaged land plus building in book value of Baht 53.85 million (December 31, 2013 : Baht 54.54 million) and some part machine in book value of Baht 15.11 million (December 31, 2013 : Baht 18.50 million) are collateral of loans from the financial institutions.

14. CREDIT FACILITIES AND GUARANTEE

The Company and its subsidiaries 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, 2014, in amount of Baht 2,084.62 million (December 31, 2013 : Baht 2,092.50 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 certain part machine of the Company, some part land plus building and machine of subsidiary company, land and building of a director and related company, notes receivable, a part of deposit at bank and guaranteed by director, related company and subsidiary and beneficiary from insurance in building, machinery and equipment to commercial bank and financial institutions.

15. LOANS THAT DUE TO REPAYMENT

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
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
Accrued interest expenses	317,405	-	317,405	-
Less Reclassification to debt under restructuring agreement	(1,348,763)	(1,031,358)	(1,348,763)	(1,031,358)
Net	-	-	-	-

As at December 31, 2013, The loan which due to payment was arisen from trust receipt, promissory notes, and long-term loan, the Company has signed the new agreement of debt restructuring dated September 27, 2013 with financial institution, in first quarter of 2014, 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 creditor together agreed and signed the new agreement of debt restructure dated May 30, 2014, the Company reclassified such debt to debt under restructuring agreement as present under non-current liabilities according note 21 to interim financial statements.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Interim Financial Statements (continued)
For three-month and nine-month periods ended September 30, 2014 (Reviewed)

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

	In Thousand Baht			
	Consolidated financial		Separate financial	
	statements		statements	
	September	December	September	December
	30, 2014	31, 2013	30, 2014	31, 2013
Debt restructuring agreement	648,576	691,530	648,576	691,530
Loan from discounted post date cheque	28,186	26,999	27,000	26,999
Account payable factoring	47,821	14,985	-	-
Promissory note	16,000	16,000	16,000	16,000
Debenture and bill of exchange	166,130	-	-	-
Net	906,713	749,514	691,576	734,529

As at September 30, 2014, loan from discounted post date cheque, factoring and promissory note are carried by interest rates of 6.75% - 7.75 % per annum (December 31, 2013 : 6.00% - 15.00%)

As at September 30, 2014, debenture and bill of exchange were short term loan issue to private placement investor through the financial institutions, repayment term are 3 - 12 months and carried interest rate at 8.50 - 9.50% per annum.

As at September 30, 2014 and December 31, 2013, the debt under restructuring agreement derive from the debt under restructuring agreement contract No.5 dated June 27, 2012 and revision issued No.4 dated February 26, 2013. During the year 2013, the Company did not repay the debt in accordance with the term repayment of restructuring agreement. However, the Company and creditor together agree for new solution to restructure and the repayment of debt according to the restructuring agreement No.6 dated October 31, 2013 which has 2nd amendment dated March 27, 2014 and 3rd amendment dated July 28, 2014 and 4th amendment dated October 17, 2014. The latest restructuring agreement has significant term of payment as follows :

a) The Company will repay the creditor in amount of Baht 363 million by gradually payment and will be completed repayment the whole amount within December 2014. (Extension the maturity date from September 2014 to December 2014).

b) The Company will additional repay the creditor as call "addition principle" approximately in amount Baht 21.61 million, by calculated from principal amount of Baht 363 million which to be reduced by a repayment under clause a) with MLR interest rate, commencing on September 2013 - January 2014 and calculated from principal amount of Baht 319.48 million which to be reduced by repayment amount and charge at interest rate 4 % , commencing from February 2014 - June 2014 and calculated from principal amount of Baht 300.0 million which to be reduce by repayment amount and charge at interest rate 4 % , commencing from July 2014 - September 2014. For October 2014 onward calculated from principal amount of Baht 290 million and charge at interest rate 5 % p.a., the repayment will be made during October to December 2013 equivalent at 2 % with repayment as end of month and repayment in June 2014 amounting to Baht 13.43 million, in September 2014 amounting to Baht 3.02 million and the repayment of rest of outstanding will be made in December 2014.

c) When the Company completely made repayment to the creditor according to the debt restructuring agreement, the outstanding debts will be released to the Company.

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Such debt under restructuring agreement constitutes collateral according to Note 14 to interim financial statements.

17. TRADE AND OTHER PAYABLES - OTHERS

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
Current				
Trade payables	421,340	555,271	317,587	461,199
Accrued expenses	22,950	12,589	12,257	4,717
Other payables	10,980	11,349	5,813	3,439
Others	447	174	30	30
Total	<u>455,717</u>	<u>579,383</u>	<u>335,687</u>	<u>469,385</u>
Non-current				
Trade payables	9,765	18,965	-	-
Total	<u>9,765</u>	<u>18,965</u>	<u>-</u>	<u>-</u>

The subsidiary entered into compromise agreement with a trade account payable to extend the debt repayment schedule. The subsidiary has book value of trade payable amount of Baht 40.02 million and the amount of repayment totaling of Baht 31.51 million, the remaining amount of Baht 8.51 million will be released to the subsidiary when the subsidiary makes a completely repayment according in the term of compromise agreement. The schedule of debt repayment is as follows:

<u>Installment periods</u>	<u>Total Repayment per installment (Million Baht)</u>
September 2013	4.01
October 2013	10.00
Nov.13 - Apr. 14	0.30
May. 14 - Oct.14	0.60
Nov.14 - Apr. 15	0.80
May.15 - Sep. 15	1.20
Oct.15	1.25

As at September 30, 2014, the subsidiary company reclassified outstanding balance of trade payable of Baht 9.77 million (as at December 31, 2013 : Baht 18.96 million) to present as non-current liabilities in the consolidated financial statement.

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18. TRADE AND OTHER PAYABLES - RELATED PARTIES

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
Trade payables	8,647	8,647	8,647	9,350
Accrued expenses	599	599	9,166	4,312
Other payables	3,138	3,192	3,138	3,754
Total	12,384	12,438	20,951	17,416

19. SHORT-TERM LOANS FROM OTHER

As at September 30, 2014 and December 31, 2013, the consolidated financial statements, short term loans amount of Baht 300 million represent short - term loans from other company, bear interest rate of 15% per annum, while the subsidiary mortgaged its land and building as collateral of loans. The subsidiary and the lender make a mortgage land agreement and considered this as evidence of the such loans, while the mortgages has term to redeem for three months (maturity date on June 21, 2011) and when due, the subsidiary and lender agree to continue an extend the due period for another 3 months, in each time of the extend, the borrower will charge 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 on 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 note 29 to interim financial statements.

As at December 31, 2014, the consolidated financial statements, short term loans amount of Baht 4.23 million has loan agreement and will be completely repaid within September 15, 2014, no interest charge. Currently, the subsidiary has already paid such loan.

20. LIABILITIES UNDER FINANCIAL LEASE AGREEMENT

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
Liabilities under financial lease agreement	9,106	1,510	69	472
Less Interest payment from financial lease agreement	(1,737)	(179)	(1)	(13)
Net	7,369	1,331	68	459
Less Current portion	(2,351)	(916)	(68)	(459)
Net	<u>5,018</u>	<u>415</u>	<u>-</u>	<u>-</u>
Present value of minimum lease payment				
Less than one year	2,351	916	68	459
1-5 years	<u>5,018</u>	<u>415</u>	<u>-</u>	<u>-</u>
Total	<u>7,369</u>	<u>1,331</u>	<u>68</u>	<u>459</u>

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As at September 30, 2014, the consolidated financial statements, the Company and its subsidiaries comprises asset under the financial leased agreement in the type of vehicle, the net book value of Baht 9.40 million (December 31, 2013 : Baht 1.65 million) and the separate financial statements, there is net book value of Baht 0.29 million (December 31, 2013 : Baht 0.57 million). The Company and its subsidiaries will receive ownership in such asset when completely repays debt to creditors in accordance with the financial leased agreement.

21. DEBT UNDER RESTRUCTURING AGREEMENT

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
Principal amount	1,031,358	1,031,358	1,031,358	1,031,358
Accrued interest expenses	333,312	273,633	333,312	273,633
Accrued interest pending for waiving	20,836	20,836	20,836	20,836
	1,385,506	1,325,827	1,385,506	1,325,827
Less Current portion	(30,400)	(44,200)	(30,400)	(44,200)
Net	1,355,106	1,281,627	1,355,106	1,281,627

For the nine-month periods ended September 30, 2014 and 2013, the movement of long-term loans are as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Balance as of beginning	1,325,827	694,545	1,325,827	694,545
Transfer out to loan that due for repayment	-	(610,696)	-	(610,696)
Transfer from loan that due to repayment	-	1,031,358	-	1,031,358
Transfer from accrued interest	-	286,920	-	286,920
Realized pending accrued interest to reduce interest expense	(6,412)	(7,758)	(6,412)	(7,758)
Realized suspense of interest expense	69,591	-	69,591	-
Repayment	(3,500)	(79,582)	(3,500)	(79,582)
Balance as of ending	1,385,506	1,314,787	1,385,506	1,314,787

The consolidated and separate financial statements, debt under restructuring agreement derived from the debt restructuring contract dated on September 27, 2013. In first quarter of 2014, the Company cannot repay the debt in accordance with the debt restructuring agreement. However, the Company and creditor together agreed and signed the new agreement of debt restructure dated May 30, 2014, The contract has classified the debt to 4 tranches and detail of new repayment term as following:

First tranche : The credit line of Baht 400 million, as at September 30,2014 remaining balance amount of Baht 506.25 million comprise of principal amount of Baht 373.73 million and accrued interest amount of Baht 132.52 million. (December 31, 2013 : remaining balance amount of Baht 484.72 million comprise of

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principal amount of Baht 373.73 million and accrued interest amount of Baht 110.99 million.) The term repayment is monthly installment with totaling 165 installments (13 years and 9 months) or within December 31, 2027, commencing on April 30, 2014 with interest rate at SPRL+ 1.00% per annum and will be settle all of accrued interest within January 31, 2017.

Second tranche : The credit line of Baht 275 million, as at September 30,2014 remaining balance amount of Baht 384.28 million comprise principal amount of Baht 274.04 million and accrued interest amount of Baht 110.24 million. (December 31, 2013 : remaining balance amount of Baht 368.75 million comprise of principal amount of Baht 274.04 million and accrued interest amount of Baht 94.71 million.) The term repayment is monthly installment with totaling 165 installments (13 years and 9 months) or within December 31, 2027, commencing on April 30, 2014 with interest rate at SPR+ 1.25% per annum and will be settle all of accrued interest within December 31, 2027.

Third tranche : The credit line of Baht 250 million, as at September 30,2014 remaining balance amount of Baht 225.01 million comprise principal amount of Baht 188.09 million and accrued interest amount of Baht 36.92 million. (December 31, 2013 : remaining balance amount of Baht 213.30 million comprise of principal amount of Baht 188.09 million and accrued interest amount of Baht 25.21 million.) The term repayment is monthly installment with totaling 165 installments (13 years and 9 months) or within December 31, 2027, commencing on April 30, 2014 with interest rate at SPR+ 1.25% per annum and will be settle all of accrued interest within December 31, 2027.

Fourth tranche : The credit line of Baht 200 million, as at September 30,2014 remaining balance amount of Baht 269.96 million comprise principal amount of Baht 195.50 million and accrued interest amount of Baht 74.46 million. (December 31, 2013 : remaining balance amount of Baht 259.05 million comprise of principal amount of Baht 195.50 million and accrued interest amount of Baht 63.55 million.) The term repayment is monthly installment with totaling 165 installments (13 years and 9 months) or within December 31, 2027, commencing on April 30, 2014 with interest rate at SPR+ 1.00% per annum and will be settle all of accrued interest within December 31, 2027.

Table of principal and interest repayment per installment
(Million Baht)

Installment periods	First tranche	Second tranche	Third tranche	Fourth tranche
Periods 1- 9 (Apr.14 - Dec.14)	0.254	0.186	0.127	0.133
Periods 10 - 15 (Jan.15 - Jun.15)	0.978	0.717	0.493	0.512
Periods 16 - 21 (Jul.15 - Dec.15)	1.377	1.010	0.693	0.720
Periods 22 - 33 (Jan.16 - Dec.16)	1.450	1.063	0.729	0.758
Periods 34 - 45 (Jan.17 - Dec.17)	1.631	1.196	0.820	0.853
Periods 46 - 57 (Jan.18 - Dec.18)	1.993	1.461	1.003	1.043
Periods 58 - 69 (Jan.19 - Dec.19)	2.174	1.594	1.095	1.137
Periods 70 - 81 (Jan.20 - Dec.20)	2.899	2.126	1.459	1.516
Periods 82 - 93 (Jan.21 - Dec.21)	3.080	2.259	1.550	1.611
Periods 94 - 105 (Jan.22 - Dec.22)	3.624	2.657	1.823	1.896
Periods 106 -117 (Jan.23 - Dec.23)	5.111	3.602	1.823	2.464
Periods 118 - 129 (Jan.24 - Dec.24)	5.503	4.020	1.823	2.654
Periods 130 - 141 (Jan.25 - Dec.25)	5.173	3.802	2.371	2.654
Periods 142 - 164 (Jan.26 - Nov.27)	5.635	4.151	2.371	2.843
Periods 165 (Dec.27)	Outstanding	Outstanding	Outstanding	Outstanding

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In additional, the debt under restructuring agreement was defined the Company to make a repayment not less than Baht 450 million within January 31, 2017. Such repayment amount will be settle accrued interest and principal amount for all tranche of debt by allocated to the First tranche amount of Baht 163.10 million, Second tranche amount of Baht 119.60 million, Third tranche amount of Baht 82.00 million and Fourth tranche amount of Baht 85.30 million.

Debt under restructuring agreement constitutes collaterals according to note 14 to interim financial statements.

22. EMPLOYEE BENEFIT OBLIGATIONS

For the nine-month period ended September 30, 2014, the movements are as follows:

	In Thousand Baht	
	Consolidated financial statements	Separate financial statements
Defined benefit obligation as at January 1, 2014	4,864	1,932
Current service cost and interest	726	422
Actuarial gain in other comprehensive income	(757)	(1,304)
Defined benefit obligation as at September 30, 2014	4,833	1,050

For the nine-month periods ended September 30, 2014 and 2013, long-term employee benefit expenses included in the profit or loss was as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current service costs	562	271	383	176
Interest on obligation	164	119	39	57
Total expenses in profit or loss	726	390	422	233
Line items under which such expenses are include in profit or loss				
Cost of goods sold and services	160	32	25	5
Selling expenses	29	22	14	1
Administrative expenses	366	48	337	1
Management benefits expense	7	169	7	169
Finance cost	164	119	39	57
Total	726	390	422	233

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Principal actuarial assumptions at the valuation date were as follows:

	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
	(%)	(%)	(%)	(%)
Discount rate	4.30 - 4.52	3.36 - 4.41	4.30 - 4.52	3.36 - 4.41
Salary increase rate	0.44 - 8.58	0.33 - 3.73	0.44 - 2.87	0.33 - 3.73
Mortality rate	100	50-100	100	50-100
(Thai Mortality Ordinary Table 2008)	of mortality	of mortality	of mortality	of mortality
Disability rate	10	10 - 15	10	10 - 15
	of mortality	of mortality	of mortality	of mortality
Employee turnover rate	0 - 63	0 - 57	26 - 46	0 - 57

23. SHARE CAPITAL

Authorized share capital and paid - up share capital are movement as follows :

	Par Value Baht	Consolidated and Separate financial statements				
		2014		Book value Baht	2013	
		Number of Share (Thousand shares)	Amount (Thousand Baht)		Number of Share (Thousand shares)	Amount (Thousand Baht)
Authorized share capital						
Ordinary shares at beginning of period	1.00	4,000,000	4,000,000	1.00	4,000,000	4,000,000
<u>Add</u> Increase ordinary Shares	1.00	320,000	320,000	1.00	-	-
<u>Less</u> Decrease ordinary Shares	1.00	(2,997,087)	(2,997,087)	1.00	-	-
Ordinary shares at end of period	1.00	1,322,913	1,322,913	1.00	4,000,000	4,000,000
Issue and paid-up share capital						
Ordinary shares at beginning of period	1.00	1,002,913	1,002,913	1.00	1,002,913	1,002,913
<u>Add</u> Increase ordinary shares	1.00	22,727	22,727	1.00	-	-
Ordinary shares at end of period	1.00	1,025,640	1,025,640	1.00	1,002,913	1,002,913

According the resolution of Annual General Meeting of Shareholders of the year 2014, dated April 18, 2014, which could be summarized a significant resolution as follows:

1. Approved a reduction of the Company's registered capital from the existing Baht 4,000,000,000 to Baht 1,002,913,226 by deleting the capital register of which was not sold in amount of Baht 2,997,086,774 at par value of Baht 1 per share.
2. Approved an increase of the Company's registered capital for another Baht 320,000,000 from the former registered capital of Baht 1,002,913,226 to a new registered capital of Baht 1,322,913,226 by

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issuing of common shares in the amount of 320,000,000 at par value of Baht 1 per share for the purpose of reservation for conversion of convertible debentures.

3. Approved for the allocation of increase common share in the amount of not exceeding 320,000,000 shares at the par value of Baht 1 which will be reserved for right conversion of convertible debentures.

24. CONVERTIBLE DEBENTURES

According the resolution of Annual General Meeting of Shareholders of the year 2014, dated April 18, 2014, has resolution to approved for the issue and offer for sale of convertible debentures to a specific foreign investor (Private Placement) that is Advance Opportunities Fund ("AO Fund") which has significant detail as following :

Type of debentures	: Convertible debentures in registered form or issued to bearer which grant the right to convert into ordinary shares of the Company, unsecured. The convertible debentures will consist of 6 tranches as follows : <u>Convertible Debentures Tranche 1</u> : value of not exceeding SGD 2 million, separated into 20 sub-tranches, which each sub-tranche will not exceed SGD 100,000. <u>Convertible Debentures Tranche 2</u> : value of not exceeding SGD 2 million, separated into 20 sub-tranches, which each sub-tranche will not exceed SGD 100,000. <u>Convertible Debentures Tranche 3</u> : value of not exceeding SGD 2 million, separated into 20 sub-tranches, which each sub-tranche will not exceed SGD 100,000. <u>Convertible Debentures Tranche 4</u> : value of not exceeding SGD 4 million, separated into 20 sub-tranches, which each sub-tranche will not exceed SGD 200,000. <u>Convertible Debentures Tranche 5</u> : value of not exceeding SGD 4 million, separated into 20 sub-tranches, which each sub-tranche will not exceed SGD 200,000. <u>Convertible Debentures Tranche 6</u> : value of not exceeding SGD 2 million, separated into 20 sub-tranches, which each sub-tranche will not exceed SGD 300,000.
Offering size	: SGD 20 million or its equivalent amount Baht 500 million by calculating at the exchange rate of Bath 25 to 1 SGD.
Term	: 1 years from the issue date of the convertible debentures.
Interest rate	: 1 % per annum
Exercise period	: The holders of convertible debentures can exercise its right on any business day from and including the issue date of the convertible debentures up to the close of business on the business day falling one week preceding the maturity date.

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- Conversion Price : The holders of convertible debentures shall be entitled to choose one of the following conversion prices :
 (1) 145 % of the average of the daily traded volume weighted average prices per share for the 45 business days immediately prior to the date of Subscription Agreement for the Tranche 1 Convertible Debentures and the issue date of convertible debenture for the Tranche 2 - 6 ("Fixed Conversion Price") ; or
 (2) 80 % of the average closing prices per share on any 3 consecutive business days during 45 business days immediately preceding the relevant conversion date of the convertible debentures ("Floating Conversion Price")
- Rate of conversion : The principal amount divides the conversion price.
- Amount o new common : The amount of not exceeding 320,000,000 shares.
 shares to be reserved for
 conversion

For the nine-month period ended September 30, 2014, the convertible debentures has movement as follows:

	In Thousand Baht	
	Consolidated financial statements	Separate financial statements
Convertible debenture beginning of period	-	-
Increase during period	10,000	10,000
Expenses of issue convertible debenture	(818)	(818)
Convertible debenture before exercise	9,182	9,182
Less conversion during period :		
Common shares	(22,727)	(22,727)
Shares discount	12,727	12,727
Expense of issuing convertible debenture (including in shares discount)	818	818
Convertible debenture end of period	-	-

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25. INCOME TAX

Income tax expenses for the three-month and nine-month periods ended September 30, 2014 and 2013 as follows:

	In Thousand Baht			
	For the three-month periods ended September 30			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current income tax expenses:				
Current income tax (expenses) for periods	9,780	2,392	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(3,570)	(4,439)	-	-
Income tax (expenses) revenues reported in the statement of comprehensive income	6,210	2,047	-	-

	In Thousand Baht			
	For the nine-month periods ended September 30			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Current income tax expenses:				
Current income tax (expenses) for periods	12,567	9,652	-	-
Deferred tax:				
Relating to origination and reversal of temporary differences	(11,794)	(13,085)	-	-
Decrease in income tax rates	-	(28,392)	-	-
Income tax expenses (revenues) reported in the profit or loss	773	(31,825)	-	-

As at September 30, 2014 and December 31, 2013, the components of deferred tax assets and liabilities are as follows:

	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
Deferred tax assets				
Allowance for doubtful accounts	1,615	869	-	-
Allowance for declining in value of inventories	1,524	1,138	-	-
Employee benefit obligations	664	419	-	-
Total	3,803	2,426	-	-

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	In Thousand Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
Deferred tax liabilities				
Liabilities under finance lease agreement	(419)	-	-	-
Fair value adjustment of property, plant and equipment	(164,431)	(175,458)	-	-
Total	(164,850)	(175,458)	-	-
Net	(161,047)	(173,032)	-	-

As at September 30, 2014, the consolidated financial statement, the Company and its subsidiaries 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 1,342.88 million (December 31, 2013 : Baht 1,335.85 million) and the separate financial statement amount of Baht 1,167.58 million (December 31, 2013 : Baht 1,094.97 million) because it is not probable that it will be able to utilize the tax benefit in the foreseeable future.

26. LOSS PER SHARE

For the three-month and nine-month periods ended September 30, 2014 and 2013, the Company calculates loss per share as follows:

	In Thousand Baht / Thousand Shares			
	For the three-month periods ended September 30			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Loss per share				
Loss for the period, equity holders of the parent	(62,539)	(113,313)	(103,888)	(123,120)
The weighted average of number of ordinary shares	1,025,640	1,002,913	1,025,640	1,002,913
Loss per share (Baht)	(0.06)	(0.11)	(0.10)	(0.12)

	In Thousand Baht / Thousand Shares			
	For the nine-month periods ended September 30			
	Consolidated financial statements		Separate financial statements	
	2014	2013	2014	2013
Loss per share				
Loss for the period, equity holders of the parent	(161,059)	(301,155)	(173,751)	(328,659)
The weighted average of number of ordinary shares	1,011,654	1,002,913	1,011,654	1,002,913
Loss per share (Baht)	(0.16)	(0.30)	(0.17)	(0.33)

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27. SEGMENT FINANCIAL INFORMATION

Segment information is presented in respect of the Company and its subsidiaries' s business segments.

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.

Segment results and operating assets include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Business segments

The Company and its subsidiaries comprise 3 main business segments as follows:

- Segment 1 : Produce and distribution of steel product.
- Segment 2 : Manufacture of foundation pile, transportation and pile driving
- Segment 3 : Manufacture of concrete product

Geographic segments

Management considers that the Company and its subsidiaries operate in a single geographic area, mainly in Thailand, and has, therefore, only one major geographic segment.

Major customers

For the three – month period ended September 30, 2014, revenues from 2 customers of the produce and distribution of steel product business segment represent approximately Baht 523.20 million of the Company and its subsidiaries 's total revenues, (2013 : revenues from 1 customer of the produce and distribution of steel product business segment represent approximately Baht 370.35 million).

For the nine - month period ended September 30, 2014, revenues from 2 customers of the produce and distribution of steel product business segment represent approximately Baht 750.20 million of the Company and its subsidiaries 's total revenues, (2013 : revenues from 1 customer of the produce and distribution of steel product business segment represent approximately Baht 637.38 million).

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The segment financial information of the Company and its subsidiaries is as follows:

In Thousand Baht								
Consolidated financial statements								
For the three-month period ended September 30								
	Segment 1		Segment 2		Segment 3		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
External revenue	503,663	818,243	107,857	85,343	22,544	-	634,064	903,586
Inter-segment revenue	102,212	130,207	-	-	-	-	102,212	130,207
Total revenue	<u>605,875</u>	<u>948,450</u>	<u>107,857</u>	<u>85,343</u>	<u>22,544</u>	<u>-</u>	<u>736,276</u>	<u>1,033,793</u>
Interest income	3	3	2,671	915	-	-	2,674	918
Interest expense	50,869	61,366	3,374	1,004	-	-	54,243	62,370
Depreciation and amortisation	11,026	11,786	2,104	2,104	1,289	-	14,419	13,890
Gain (loss) before income tax	<u>(134,320)</u>	<u>(153,463)</u>	<u>27,662</u>	<u>7,426</u>	<u>9,520</u>	<u>-</u>	<u>(97,138)</u>	<u>(146,037)</u>

In Thousand Baht								
Consolidated financial statements								
	Steel product		Foundation pile		Concrete product		Total	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
Assets of segment	2,601,355	2,766,862	596,688	407,357	148,489	62,137	3,346,532	3,236,356
Capital expenditure	373	2,889	6,841	879	74,642	62,365	81,856	66,133
Liabilities of segment	3,253,615	3,222,092	357,741	140,562	-	-	3,611,356	3,362,654

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Interim Financial Statements (continued)
For three-month and nine-month periods ended September 30, 2014 (Reviewed)

The segment financial information of the Company and its subsidiaries is as follows:

In Thousand Baht								
Consolidated financial statements								
For the nine-month period ended September								
	Segment 1		Segment 2		Segment 3		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
External revenue	1,884,739	2,044,215	224,434	299,904	49,780	-	2,158,953	2,344,119
Inter-segment revenue	510,315	158,888	-	-	-	-	510,315	158,888
Total revenue	<u>2,395,054</u>	<u>2,203,103</u>	<u>224,434</u>	<u>299,904</u>	<u>49,780</u>	<u>-</u>	<u>2,669,268</u>	<u>2,503,007</u>
Interest income	27	33	4,979	2,719	-	-	5,006	2,752
Interest expense	139,095	228,995	4,663	2,693	-	-	143,758	231,688
Depreciation and amortisation	34,153	35,286	6,191	6,223	3,721	-	44,065	41,509
Gain (loss) before income tax	<u>(251,332)</u>	<u>(426,485)</u>	<u>32,602</u>	<u>36,255</u>	<u>13,394</u>	<u>-</u>	<u>(205,336)</u>	<u>(390,230)</u>

In Thousand Baht								
Consolidated financial statements								
	Steel product		Foundation pile		Concrete product		Total	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
Assets of segment	2,601,355	2,766,862	596,688	407,357	148,489	62,137	3,346,532	3,236,356
Capital expenditure	373	2,889	6,841	879	74,642	62,365	81,856	66,133
Liabilities of segment	3,253,615	3,222,092	357,741	140,562	-	-	3,611,356	3,362,654

Reconciliation of revenue , profit or loss, asset and liabilities

	In Thousand Baht	
	Consolidated financial statements	
	September 30, 2014	December 31, 2013
Assets		
Total assets for reportable segments	3,346,532	3,236,356
Adjustment and elimination : inter - segment	571,366	724,976
Total assets	3,917,898	3,961,332
Liabilities		
Total liabilities for reportable segments	3,611,356	3,362,654
Adjustment and elimination : inter - segment	(91,394)	18,222
Total liabilities	3,519,962	3,380,876

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Interim Financial Statements (continued)
For three-month and nine-month periods ended September 30, 2014 (Reviewed)

28. COMMITMENT AND CONTINGENT LIABILITIES

28.1 As at September 30, 2014 and December 31, 2013, certain liabilities shown on the financial statements, the Company and its subsidiaries still remains contingent liabilities with commercial banks as follows :

	In Million Baht			
	Consolidated financial statements		Separate financial statements	
	September 30, 2014	December 31, 2013	September 30, 2014	December 31, 2013
- Letter of guarantee has bank deposit pledge for collateral	6.33	7.28	-	1.81
- Advance note payable for pledged	3.93	4.12	-	-

28.2 As at September 30, 2014, A subsidiary has commitment from capital expenditure in the amount of Baht 13.98 million.

29. LITIGATION

A subsidiary and director (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 19 to interim financial statements, 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 million until the payment is settled. However, the civil court has judged and order to the subsidiary and director repayment the principle amount of Baht 300 million plus interest rate at 15% and the creditor no right to charge the borrowing fees with the subsidiary. This case is being appealed. However, the subsidiary has still recognized the principal, interest rate and borrowing fees according to the rate with determine in the loan contract which cover the damage.

A lawsuit had been filed against the Company claiming in the amount Baht 25.35 Million. This comprised debt of Baht 24.61 million arising from the purchase of goods and interest charges of Baht 0.74 million plus interest rate at 12.00% per annum until the payment is settled. The civil court ordered the Company to pay the payable. Currently, the Company has paid by installment. However, the Company has recognized such liabilities cover the damage.

30. EVENTS AFTER THE REPORTING PERIOD

According the resolution of Board of Directors' Meeting No. 4/2014, dated October 3, 2014, which could be summarized a significant resolution as follows:

1. To propose that the shareholders' meeting of the Company considers and approves the decrease of the registered capital of the Company by the amount of Baht 297,272,728 at the par value of Baht 1 per share, from the existing registered capital of Baht 1,322,913,226 to Baht 1,025,640,498 by cancelling the unissued shares which are the remaining amount from the shares issued to accommodate the exercise of conversion rights of the convertible bonds issued and offered to the Advance Opportunity Fund, as approved by the 2014 Annual General Meeting of Shareholders held on April 18, 2014, because of such convertible bonds was not successful as planned.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
Notes to the Interim Financial Statements (continued)
For three-month and nine-month periods ended September 30, 2014 (Reviewed)

2. To propose that the shareholders' meeting of the Company considers and approves the increase in the registered capital of the Company by issuing 1,374,359,502 shares at the par value of Baht 1 per share from the existing registered capital of Baht 1,025,640,498 to Baht 2,400,000,000 to accommodate the allocation of the newly issued shares to the shareholders proportionate to their shareholding (Rights Offering) and to the specific persons (Private Placement).
3. To propose that the shareholders' meeting of the Company considers and approves the allocation of 1,374,359,502 newly issued shares at the par value of Baht 1 per share, as follows:
 - 3.1. To allocate 1,025,640,498 newly issued shares at the par value of Baht 1 per share to the existing shareholders proportionate to their shareholding (Rights Offering) at a ratio of 1 existing share per 1 new share at the offering price of Baht 0.30 per share.
 - 3.2. To allocate up to 348,719,004 newly issued shares at the par value of Baht 1 per share and offer the shares to four specific persons who are not connected persons of the Company at the price of Baht 0.30 per share.
 - 3.3. To allocate and offer the shares remaining from Item 3.1 to four specific persons as mention in Item 3.2. These four persons agree to purchase all newly issued shares and the newly issued shares shall be equally allocated to each person in the same amount at the price of Baht 0.30 per share.
4. To propose that the shareholders' meeting considers and approves the disposal of the shares in Thai National Product Co., Ltd. ("TNP"), a subsidiary of the Company amounting to 18,000,000 shares at the par value of Baht 10 per share or equivalent to 66.42 % of TNP's registered capital, at the price of Baht 30 per share, totaling of Baht 540,000,000.