

INDEPENDENT AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

To the Board of Directors of RICH ASIA STEEL PUBLIC COMPANY LIMITED

I have reviewed the accompanying consolidated and separate statements of financial position as at June 30, 2015 and the related consolidated and separate statements of comprehensive income for the three-month and six-month periods ended on June 30, 2015, changes in shareholders' equity and cash flows for the six-month period then ended and condensed notes to financial statements of RICH ASIA STEEL PUBLIC COMPANY LIMITED and its subsidiary companies and also of RICH ASIA STEEL PUBLIC COMPANY LIMITED only. The management of the entity is responsible for the preparation and presentation of this interim financial information in accordance with Accounting Standard No. 34 on 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 Code No. 2410 : "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with auditing standards and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

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

Other matters

The consolidated and separate statement of financial position as at December 31, 2014 of RICH ASIA STEEL PUBLIC COMPANY LIMITED and its subsidiaries and of RICH ASIA STEEL PUBLIC COMPANY LIMITED, which presented for comparative information purposes, were audited by another auditor who expressed an unqualified opinion on those financial statement in his report date February 26, 2015. The consolidated and separate statements of comprehensive income for the three-month and six-month periods ended on June 30, 2014, changes in shareholder's equity and cash flows for the six-month period then ended, presented herein as comparative information, were also reviewed by the another auditor who concluded under his report dated August 11, 2014, that nothing had come to his attention that caused him to believe that the interim financial information was not prepared in all material respect, in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting".

SAM NAK-NGAN A.M.C. CO., LTD.

(Miss Praphasri Leelasupha)

Certified Public Accountant (Thailand) Registration No. 4664

Bangkok,

August 14, 2015

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

As at June 30, 2015

(Unit : Thousand Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		As at		As at	
		June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
		Unaudited Limited review only	Audited	Unaudited Limited review only	Audited
Assets					
Current assets					
Cash and cash equivalents items		192,611	297,061	191,370	296,018
Trade and other receivable	4.1 and 5	1,844,001	1,299,732	1,645,546	1,167,275
Short-term loans to related parties	4.1	-	-	389,200	389,200
Inventories	6	432,855	8,305	385,733	2,510
Advance payment for goods	7	195,968	861,307	195,968	746,717
Deposits for investment	8	20,000	-	20,000	-
Other current assets		2,316	2,903	2,183	2,780
Total current assets		2,687,751	2,469,308	2,830,000	2,604,500
Non-current assets					
Bank deposit pledged as collateral		3,718	3,696	1,856	1,855
Investment in subsidiaries	9	-	-	346,111	345,211
Investment in associate	10	201,008	204,744	198,478	198,478
Investment property	11	9,313	9,770	9,313	9,770
Property, plant and equipment	12	852,672	887,692	73,669	77,797
Other non-current assets		3,057	3,255	418	418
Total non-current assets		1,069,768	1,109,157	629,845	633,529
Total assets		3,757,519	3,578,465	3,459,845	3,238,029

Notes to financial statements are an integral part of these financial statements.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

As at June 30, 2015

(Unit : Thousand Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		As at		As at	
		June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
		Unaudited Limited review only	Audited	Unaudited Limited review only	Audited
<u>Liabilities and shareholders' equity</u>					
Current liabilities					
Bank overdrafts and short-term loans from financial institutions	14	23,617	42,756	23,617	42,756
Trade and other payable	15	285,819	308,874	274,359	278,513
Short - term loans from other parties	16	159,863	222,748	159,863	222,748
Short - term loans from related parties	4.1	-	187,378	-	187,378
Current portion of liabilities under debt restrue agreement	18	46,800	39,000	46,800	39,000
Other current liabilities		6	6	5	5
Total current liabilities		516,105	800,762	504,644	770,400
Non-current liabilities					
Debentures	17	490,910	-	490,910	-
Liabilities under debt restructuring agreement	18	1,385,512	1,365,622	1,385,512	1,365,622
Employee benefit obligations	19	1,715	1,668	1,209	1,190
Deferred tax liabilities	20	96,242	99,005	-	-
Others non - current liabilities		80	80	-	-
Total non - current liabilities		1,974,459	1,466,375	1,877,631	1,366,812
Total liabilities		2,490,564	2,267,137	2,382,275	2,137,212

Notes to financial statements are an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at June 30, 2015

(Unit : Thousand Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		As at		As at	
		June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
		Unaudited Limited review only	Audited	Unaudited Limited review only	Audited
Shareholders' equity					
Share capital	21				
Authorized share capital					
2,400,000,000 ordinary shares @ Baht 1.00		2,400,000	2,400,000	2,400,000	2,400,000
Issued and paid-up share capital					
2,400,000,000 ordinary shares @ Baht 1.00		2,400,000	2,400,000	2,400,000	2,400,000
Discount on share capital		(562,135)	(562,135)	(562,135)	(562,135)
Deficit		(904,482)	(868,818)	(760,295)	(737,048)
Other component of shareholders' equity		73,721	73,721	-	-
Total shareholders' equity of the parent company		1,007,104	1,042,768	1,077,570	1,100,817
Non-controlling interests		259,851	268,560	-	-
Total shareholders' equity		1,266,955	1,311,328	1,077,570	1,100,817
Total liabilities and shareholder's equity		3,757,519	3,578,465	3,459,845	3,238,029

Notes to financial statements are an integral part of these financial statements.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

For the three-month period ended June 30, 2015

(Unit : Thousand Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Revenue					
Revenue from sales		500,274	574,671	474,077	510,017
Revenue from services		-	13,765	-	-
Other incomes		14,667	8,851	16,545	8,377
Total revenues		514,941	597,287	490,622	518,394
Expenses					
Cost of sales	6	502,542	576,649	462,323	502,737
Cost of services		-	11,779	-	-
Selling expenses		1,206	3,101	209	167
Administrative expenses		22,535	21,407	19,527	15,360
Loss on impairment of investment in subsidiary		-	-	-	21,000
Doubtful accounts (reversal)		(2,584)	2,485	-	-
Management benefit expenses	4.3 and 22	2,762	2,425	2,762	2,425
Finance costs		33,402	42,919	33,395	23,541
Total expenses		559,863	660,765	518,216	565,230
Loss before share of loss on investment in associate and income tax		(44,922)	(63,478)	(27,594)	(46,836)
Share of loss on investment in associate		(2,251)	-	-	-
Loss before income tax		(47,173)	(63,478)	(27,594)	(46,836)
Income tax revenues	23	1,372	2,840	-	-
Loss for the period		(45,801)	(60,638)	(27,594)	(46,836)
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		(45,801)	(60,638)	(27,594)	(46,836)

Unaudited

Limited review only

Notes to financial statements are an integral part of these financial statements.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

For the three-month period ended June 30, 2015

(Unit : Thousand Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Loss for the period attributable to :					
Equity holders of the parent company		(38,366)	(46,497)	(27,594)	(46,836)
Non-controlling interests of the subsidiaries		(7,435)	(14,141)	-	-
		<u>(45,801)</u>	<u>(60,638)</u>	<u>(27,594)</u>	<u>(46,836)</u>
Total comprehensive income attributable to :					
Equity holders of the parent company		(38,366)	(46,497)	(27,594)	(46,836)
Non-controlling interests of the subsidiaries		(7,435)	(14,141)	-	-
		<u>(45,801)</u>	<u>(60,638)</u>	<u>(27,594)</u>	<u>(46,836)</u>
Basic loss per share					
Equity holders of the parent company (Unit : Baht)	24	(0.016)	(0.046)	(0.011)	(0.047)

Unaudited

Limited review only

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RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended June 30, 2015

(Unit : Thousand Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Revenue					
Revenue from sales		2,447,932	1,489,871	2,152,286	1,268,391
Revenue from services		-	35,019	-	-
Other incomes		26,189	20,857	30,502	19,055
Total revenues		2,474,121	1,545,747	2,182,788	1,287,446
Expenses					
Cost of sales	6	2,407,769	1,513,488	2,101,383	1,250,288
Cost of services		-	29,679	-	-
Selling expenses		2,394	5,540	710	467
Administrative expenses		41,777	44,229	35,689	32,008
Loss on impairment of investment in subsidiary		-	-	-	21,000
Doubtful accounts (reversal)		(2,584)	2,013	-	-
Management benefit expenses	4.3 and 22	5,322	5,143	5,322	5,143
Finance costs		62,943	87,305	62,931	48,402
Total expenses		2,517,621	1,687,397	2,206,035	1,357,308
Loss before share of loss on investment in associate and income tax		(43,500)	(141,650)	(23,247)	(69,862)
Share of loss on investment in associate		(3,736)	-	-	-
Loss before income tax		(47,236)	(141,650)	(23,247)	(69,862)
Income tax revenues	23	2,763	5,437	-	-
Loss for the period		(44,473)	(136,213)	(23,247)	(69,862)
Other comprehensive income					
Item that will not be reclassified to profit or loss					
Defined benefit plan actuarial gain for employee benefit		-	757	-	1,304
Income tax on other comprehensive income		-	192	-	-
Other comprehensive income for the period		-	949	-	1,304
Total comprehensive income for the period		(44,473)	(135,264)	(23,247)	(68,558)

Unaudited

Limited review only

Notes to financial statements are an integral part of these financial statements.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

For the six-month period ended June 30, 2015

(Unit : Thousand Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Loss for the period attributable to :					
Equity holders of the parent company		(35,664)	(98,520)	(23,247)	(69,862)
Non-controlling interests of the subsidiaries		(8,809)	(37,693)	-	-
		<u>(44,473)</u>	<u>(136,213)</u>	<u>(23,247)</u>	<u>(69,862)</u>
Total comprehensive income attributable to :					
Equity holders of the parent company		(35,664)	(97,769)	(23,247)	(68,558)
Non-controlling interests of the subsidiaries		(8,809)	(37,495)	-	-
		<u>(44,473)</u>	<u>(135,264)</u>	<u>(23,247)</u>	<u>(68,558)</u>
Basic loss per share					
Equity holders of the parent company (Unit : Baht)	24	(0.015)	(0.098)	(0.010)	(0.070)

Unaudited

Limited review only

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RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the six-month period ended June 30, 2015

(Unit : Thousand Baht)

	Issued and paid - up share capital	Premium (decrease) on share capital	Retained earing (deficit)	Other component of equity		Total equity attributable to owners of the parent company	Non - controlling interests	Total shareholders' equity
				Surplus from change in equity interest	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
Loss for the period	-	-	(98,520)	-	-	(98,520)	(37,693)	(136,213)
Other comprehensive income	-	-	751	-	-	751	198	949
Total comprehensive income for the period	-	-	(97,769)	-	-	(97,769)	(37,495)	(135,264)
Common shares increase by convertible debenture conversion	22,727	(13,795)	-	-	-	8,932	-	8,932
Ending balance as at June 30, 2014	1,025,640	400,172	(1,275,481)	73,721	73,721	224,052	230,072	454,124
Balance as at January 1, 2015	2,400,000	(562,135)	(868,818)	73,721	73,721	1,042,768	268,560	1,311,328
Loss for the period	-	-	(35,664)	-	-	(35,664)	(8,809)	(44,473)
Comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	(35,664)	-	-	(35,664)	(8,809)	(44,473)
Increase on non-controlling interests	-	-	-	-	-	-	100	100
Ending balance as at June 30, 2015	2,400,000	(562,135)	(904,482)	73,721	73,721	1,007,104	259,851	1,266,955

Unaudited

Limited review only

Notes to financial statements are an integral part of these financial statements.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
For the six-month period ended June 30, 2015

(Unit : Thousand Baht)

	Issued and paid-up share capital	Premiums (Decrease) on share capital	Retained earnings (deficit)	Total
Balance as at January 1, 2014	1,002,913	413,967	(1,006,015)	410,865
Loss for the period	-	-	(69,862)	(69,862)
Other comprehensive income	-	-	1,304	1,304
Total comprehensive income for the period	-	-	(68,558)	(68,558)
Common shares increase by convertible debenture convers	22,727	(13,795)	-	8,932
Ending balance as at June 30, 2014	1,025,640	400,172	(1,074,573)	351,239
Balance as at January 1, 2015	2,400,000	(562,135)	(737,048)	1,100,817
Loss for the period	-	-	(23,247)	(23,247)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	(23,247)	(23,247)
Ending balance as at June 30, 2015	2,400,000	(562,135)	(760,295)	1,077,570

Unaudited

Limited review only

Notes to financial statements are an integral part of these financial statements.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

For the six-month period ended June 30, 2015

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flows from operating activities				
Loss before income tax	(47,236)	(141,650)	(23,247)	(69,862)
Adjustments for loss before income tax to net cash provided by (used in) operations				
Depreciation	38,075	78,120	4,371	4,512
Depreciation for investment property	457	555	457	456
Doubtful accounts (reversal)	(2,584)	2,013	-	-
Loss from declining in value of inventories (reversal)	7,900	(4,367)	8,797	(2,806)
Share of loss on investment in associates	3,736	-	-	-
Unrealized loss on exchange rate	8,199	5,416	8,199	4,887
(Gain) loss from disposed assets and written-off assets	(1,528)	71	(298)	-
Loss from impairment of investment in subsidiary company	-	-	-	21,000
Employee benefits expense	30	375	14	255
Interest income	(20)	(100)	(16,712)	-
Interest expenses	52,457	86,822	52,457	48,358
Interest expenses of employee benefits	17	109	5	26
Profit from operation before changes in operating assets and liabilities	59,503	27,364	34,043	6,826
Operating assets (increase) decrease				
Trade and other receivable	(541,686)	(133,988)	(476,837)	(167,389)
Inventories	(431,942)	(90,291)	(389,298)	(89,865)
Advance payment for goods	664,831	15,151	548,027	(3,835)
Other current assets	580	1,967	591	404
Retention receivables	-	16,775	-	-
Other non-current assets	688	(1,924)	486	-
Operating liabilities increase (decrease)				
Trade and other payable	(29,192)	188,940	(10,103)	220,872
Advance receive for goods	-	(9,494)	-	-
Long - term trade payables	-	(8,765)	-	-
Other current liabilities	-	303	-	-
Cash received (paid) from operation	(277,218)	6,038	(293,091)	(32,987)
Cash received from interest	21	102	-	-
Cash paid for income tax	(483)	(4,195)	(480)	(279)
Net cash provided by (used in) operating activities	(277,680)	1,945	(293,571)	(33,266)

Unaudited
Limited review only

Notes to financial statements are an integral part of these financial statements.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES**NOTES TO FINANCIAL STATEMENTS****For the three-month and six-month periods ended June 30, 2015****(UNAUDITED/LIMITED REVIEW ONLY)**

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 (collectively called the “Group Companies”) operate in the business of distribution of steel pipe, steel products and service of steel production and procurement of material, equipment, and technology as well as investment in utilities and infrastructure.

2. Basis of interim financial statements preparation and accounting policies

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

2.2 These interim financial statements are prepared in the condensed format and in accordance with the Accounting Standard No. 34 (Revised 2014) on “Interim Financial Reporting” including interpretations and guidance promulgated by the Federation of Accounting Professions (“FAP”), related regulations and announcements of the Securities and Exchanges Commission. However, the Company has presented items in the statements of financial position, statements of comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

2.3 The interim financial statements are prepared to provide an update on the financial statements for the year ended December 31, 2014. They do not include all of the financial information requires 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, 2014.

- 2.4 The interim financial statements are presented in Thai Baht, rounded to the nearest thousand baht unless otherwise stated.
- 2.5 Using of the significant accounting policies and the calculation method of Group Companies in the preparation of the interim financial statements for the three-month and six-month period ended June 30, 2015 are consistent with those used in the annual financial statements for the year ended December 31, 2014.
- 2.6 New accounting standards

2.6.1 New and revised TFRS that became effective in the current period

During the period, the Group Companies has adopted the revised and new financial reporting standards issued by the Federation of Accounting Professions which become effective for fiscal years beginning on or after January 1, 2015, which the Group Companies disclosed such revised and new financial reporting in the notes to financial statements for the year ended December 31, 2014. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards, with most of the changes directed towards revision of wording and terminology, and provision of interpretations and accounting guidance to users of standards. The adoption of these financial reporting standards does not have any significant impact on the Group's financial statements.

2.6.2 New TFRS that became effective in the future

TFRS 4 (revise 2014) "Insurance Contracts" will be effective for fiscal years beginning on or after January 1, 2016. The Group's management has assessed the effect of this financial reporting standard and believes that it is not relevant to the business of the Group Companies.

3. Principles of interim consolidation financial statements

The interim consolidated financial statements for the three-month and six month periods ended June 30, 2015 have been prepared by including the financial statements of RICH ASIA STEEL PUBLIC COMPANY LIMITED and its subsidiaries (“The Group Companies”) after eliminate the significant related party balances and transactions. The Company holds directly and indirectly shares at the percentage of :-

<u>Name of subsidiaries</u>	<u>Nature of business</u>	<u>Country of incorporation</u>	<u>Percentage of shareholdings</u>	
			<u>2015</u>	<u>2014</u>
Siam Ferro Industry Co., Ltd.	Production and distribution of steel pipe, steel product and service of steel production	Thai	51.88	51.88
Rich Asia Engineering Co., Ltd.	Procurement of material, equipment, and technology as well as investment in utilities and infrastructure.	Thai	90.00	-

The Financial Statement of Rich Asia Engineering Co., Ltd. is included in the consolidated financial statements in the first quarter of 2015, the Company invested in the subsidiary company which is established in 2015.

The financial statements of subsidiaries are prepared using the report date as the Company and prepared using the same accounting policy for the same accounting items

4. Inter-transaction with related companies

The Company has significant inter-transactions items incurred with its subsidiaries and related companies with common shareholders group and mutual directors and management. The material inter-transaction items and outstanding balance with the subsidiary and related companies could be summarized as follows:-

4.1 Inter-assets and liabilities

(Unit : Thousand Baht)

	<u>Consolidated financial statements as at</u>		<u>Separate financial statements as at</u>	
	<u>June 30, 2015</u>	<u>December 31, 2014</u>	<u>June 30, 2015</u>	<u>December 31, 2014</u>
<u>Trade and other receivable</u>				
Thai National Product Co., Ltd	560	1,878	560	1,742
Siam Ferro Industry Co., Ltd	-	-	70,101	35,615
PNB Inter Group Co., Ltd	18,001	3,702	18,001	3,702
Star Decor & Design Co., Ltd.	14,495	5,004	14,495	5,004
Rich Asia Engineering Co., Ltd	-	-	20	-
Total	33,056	10,584	103,177	46,063
<u>Less</u> Allowance for doubtful debt	-	-	(5,296)	(5,296)
Trade and other receivable-Net	33,056	10,584	97,881	40,767

(Unit : Thousand Baht)

	<u>Consolidated financial statements as at</u>		<u>Separate financial statements as at</u>	
	<u>June 30, 2015</u>	<u>December 31, 2014</u>	<u>June 30, 2015</u>	<u>December 31, 2014</u>
<u>Loans to related parties</u>				
- Siam Ferro Industry Co., Ltd				
Beginning balance	-	-	389,200	-
Addition	-	-	-	389,200
Repayment	-	-	-	-
Ending balance	-	-	389,200	389,200
- Thai National Product Co., Ltd				
Beginning balance	-	-	-	-
Addition	(120,000)	-	(120,000)	-
Repayment	120,000	-	120,000	-
Ending balance	-	-	-	-
Total loans to related parties	-	-	389,200	389,200

As at June 30, 2015 and December 31, 2014, the Company had loans to subsidiary company is carried by interest rate of 6.50%-8.00% and 8.00% per annum respectively.

(Unit : Thousand Baht)

	<u>Consolidated financial statements as at</u>		<u>Separate financial statements as at</u>	
	<u>June 30, 2015</u>	<u>December 31, 2014</u>	<u>June 30, 2015</u>	<u>December 31, 2014</u>
<u>Trade and other payable</u>				
Thai National Product Co., Ltd	446	3,403	441	3,399
G.T. Steel Works Co., Ltd.	11,747	11,747	11,747	11,747
Director	642	628	43	29
Total	12,835	15,778	12,231	15,175
<u>Short-term loans from related parties</u>				
- Thai National Product Co., Ltd				
Beginning balance	187,378	53,864	187,378	53,864
Addition	114,000	275,920	114,000	275,920
Repayment	(301,378)	(142,406)	(301,378)	(142,406)
Ending balance	-	187,378	-	187,378
- Shareholder				
Balance as at beginning	-	5,000	-	-
Addition	-	-	-	-
Repayment	-	(5,000)	-	-
Ending balance	-	-	-	-
Total short-term loan from related parties	-	187,378	-	187,378

As at June 30, 2015 and December 31, 2014, the Company loans from associate company is carried by interest rate of 6.63%-6.75% and 6.75%-6.88% per annum respectively.

4.2 Inter-revenues and expenses

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>for the three-month period ended June 30</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<u>Transactions with related person and related company</u>				
Revenues from sales	1,055	-	1,055	-
Other income	47	-	47	-
Interest income	560	-	560	-
Other expenses	258	-	424	-
Interest expense	1,119	150	1,119	-
Consultation fees	-	360	-	360
<u>Transactions with subsidiaries</u>				
(Eliminated from consolidated financial statements)				
Revenues from sales	-	-	-	363
Revenues from sales of raw materials	-	-	100,572	224,060
Other income	-	-	62	77
Interest income	-	-	7,763	-
Purchase of goods	-	-	-	45,300
Interest expenses	-	-	-	1,317

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>for the six-month period ended June 30</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<u>Transactions with related person and related company</u>				
Revenues from sales	2,245	-	2,245	-
Other income	47	-	47	-
Interest income	560	-	560	-
Other expenses	428	-	424	-
Interest expense	3,902	300	3,902	-
Consultation fees	-	360	-	360
<u>Transactions with subsidiaries</u>				
(Eliminated from consolidated financial statements)				
Revenues from sales	-	-	-	390
Revenues from sales of raw materials	-	-	153,575	361,525
Other income	-	-	91	164
Interest income	-	-	15,440	-
Purchase of goods	-	-	24,248	45,306
Subcontract production cost	-	-	-	8
Interest expenses	-	-	-	2,231

4.3 Management benefit expenses

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>for the three-month period ended June 30,</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Short-term employee benefits	2,759	2,423	2,759	2,423
Post-employment benefits	3	2	3	2
Total	2,762	2,425	2,762	2,425

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>for the six-month period ended June 30,</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Short-term employee benefits	5,317	5,138	5,317	5,138
Post-employment benefits	5	5	5	5
Total	5,322	5,143	5,322	5,143

4.4 Pricing policies

Pricing policies for each transactions are described as follows:

<u>Type of transactions</u>	<u>Pricing policies</u>
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
Other expenses	Actual price/Contract price
Consultation fees	Contract price
Interest income	Interest rate 6.50%-8.00% per annum (2014 : 8.00% per annum)
Interest expenses	Interest rate 6.63%-6.75% per annum (2014 : 6.75%-6.88% and 12.00% per annum)

The Company has guarantee transaction between its associate company without any interest expenses.

4.5 Types of relationship of related parties are as follows:

<u>Name of Companies</u>	<u>Type of business</u>	<u>Type of relationship</u>
Siam Ferro Industry Co., Ltd.	Production and distribution of steel pipe, steel product and service of steel production	Subsidiary
Rich Asia Engineering Co., Ltd.	Procurement of material, equipment and technology as well as investment in utilities and infrastructure.	Subsidiary
Thai National Product Co., Ltd.	Foundation pile manufacturing, distribution delivery and pile driving and production of concrete product	Associate
G.T. STEEL WORKS Co., Ltd.	Production and distribution of steel	Closed cousin of executive officer are director and shareholders
PNB Inter Group Co., Ltd.	Distribution and installment of Marbles granites and natural stone materials	The management's of Thai National Product Co., Ltd.
Star Decor & Design Co., Ltd.	Installment contractor of Marbles granites and natural stone materials	The management's of Thai National Product Co., Ltd.
Ms. Angkarn Tantiviroon		Chief Executive Officer Director
Mr. Somkiat Vongsarajana		Managing Director
Mr. Teera Phoncharoensuk		Director
Mr. Kamon Wattanakanin		Management of Thai National Product Co., Ltd.
Ms. Arporn Seneeprakornkrai		Shareholder of Rich Asia Steel public Co., Ltd.

5. Trade and other receivable

Consisted of:-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>June 30, 2015</u>	<u>December 31, 2014</u>	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Trade receivable-related parties	32,496	10,566	94,741	39,622
Trade receivable-other parties	1,763,570	1,226,002	1,500,724	1,067,264
Post dated cheques-other parties	22,231	51,692	22,231	51,692
Total Trade receivable	1,818,297	1,288,260	1,617,696	1,158,578
<u>Less</u> Allowance for doubtful accounts	-	(2,584)	-	-
Trade receivable-net	1,818,297	1,285,676	1,617,696	1,158,578
Other receivable-related parties	560	18	8,436	6,441
Other receivable-other parties	6,231	6,016	6,066	5,918
Revenue department receivable	17,483	6,388	17,481	-
Others	1,430	1,634	1,163	1,634
Total Other receivable	25,704	14,056	33,146	13,993
<u>Less</u> Allowance for doubtful accounts	-	-	(5,296)	(5,296)
Trade receivables-net	25,704	14,056	27,850	8,697
Total Trade and other receivable-net	1,844,001	1,299,732	1,645,546	1,167,275

Trade and notes receivables were classified by aging as follows :-

5.1 Trade receivable-related parties

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>June 30, 2015</u>	<u>December 31, 2014</u>	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Within credit term	3,154	3,702	41,167	12,756
Over due 1 to 90 days	29,342	1,860	53,574	18,719
Over due 91 to 180 days	-	5,004	-	8,147
Total	32,496	10,566	94,741	39,622

The normal credit term granted by the Group Companies is 30-120 days.

5.2 Trade receivable-other parties

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>June 30, 2015</u>	<u>December 31, 2014</u>	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Within credit term	697,501	757,788	511,156	669,568
Over due 1 to 90 days	1,080,655	379,545	1,004,183	315,233
Over due 91 to 180 days	-	78,801	-	76,038
Over due 181 to 365 days	5,445	58,976	5,444	58,117
Over due over 1 year	2,200	2,584	2,172	-
Total	1,785,801	1,277,694	1,522,955	1,118,956
<u>Less</u> Allowance for doubtful	-	(2,584)	-	-
Net	1,785,801	1,275,110	1,522,955	1,118,956

The normal credit term granted by the Group Companies is approximately from 30-120 days.

The movement of allowance for doubtful debts-trade and other receivable for the six-month period ended June 30, 2015 are as follow: -

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Beginning balance	(2,584)	(5,296)
Collect during the period	2,584	-
Ending balance	-	(5,296)

The management of the Company believe that the setting up of the allowance for doubtful debts have been sufficiently recorded for the present situation.

As at June 30, 2015 and December 31, 2014, the consolidated and separate financial statement, the Company and its subsidiaries factored some post dated cheques in the amount of Bath 7.62 million and 26.76 million respectively to discount with the financial institution. The Company and its subsidiaries still have to take responsibility in the notes receivable if financial institution cannot collect debt repayment from such notes receivable.

6. Inventories

Consisted of :-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>June 30, 2015</u>	<u>December 31, 2014</u>	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Finished goods	315,936	5,823	289,774	286
Raw materials	122,840	2,182	101,131	1,327
Work in process	732	-	-	-
Supplies	5,040	4,601	1,140	1,134
Total	444,548	12,606	392,045	2,747
<u>Less</u> Allowance for declining in value of inventories	(11,693)	(4,301)	(6,312)	(237)
Net	432,855	8,305	385,733	2,510

A movement of allowance for diminution in value of inventories for the six-month period ended June 30, 2015 is as follow :-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Beginning balance	(4,301)	(237)
Increase during the period	(7,392)	(6,075)
Ending balance	(11,693)	(6,312)

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>for the three-month period ended June 30,</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cost of inventory record as expense and include in the cost of goods sold				
- Cost of goods sold	492,100	576,733	453,108	502,136
- Written down value to net realizable value (reversal)	10,442	(84)	9,215	601
Net	502,542	576,649	462,323	502,737

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>for the six-month period ended June 30,</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cost of inventory record as expense and include in the cost of goods sold				
- Cost of goods sold	2,399,869	1,517,855	2,092,586	1,253,094
- Written down value to net realizable value (reversal)	7,900	(4,367)	8,797	(2,806)
Net	2,407,769	1,513,488	2,101,383	1,250,288

7. Advance payments for goods

Consisted of :-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>June 30, 2015</u>	<u>December 31, 2014</u>	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Advance payments for goods	204,883	869,714	204,883	752,910
<u>Less</u> Allowance for decline in value of inventories	(3,247)	(2,739)	(3,247)	(525)
Allowance for doubtful accounts	(5,668)	(5,668)	(5,668)	(5,668)
Net	195,968	861,307	195,968	746,717

A movement of allowance for diminution in value of inventories and allowance for doubtful for the six-month period ended June 30, 2015 is as follow:-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Beginning balance	(8,407)	(6,193)
Increase during the period	(508)	(2,722)
Ending balance	(8,915)	(8,915)

8. Deposit for investment

In accordance with minute of committee meeting's No 6/2015 on June 25, 2015, the Company has reached the approval for an investment in Yala Green Energy Company of 7,497,000 shares; 51% of total shares. On June 30, 2015, the Company paid deposits for investment of Bath 20.00 million. The value and conditions of investment are based on the results of the Company's due diligence on both legal and accounting and financial of this power plant. If the due diligence results are concluded, the Company will draft a share purchase investment agreement in the aforementioned power plant.

9. Investment in subsidiaries

Consisted of :-

(Unit : Thousand Baht)

<u>Name of companies</u>	<u>Paid-up</u> share capital	<u>Percentage of</u> Shareholding(%)	<u>Separate financial statements</u>			
			<u>Investment</u>		<u>Dividend</u>	
			<u>cost method</u>		<u>For the six-month period</u>	
			<u>As at</u>		<u>ended June 30,</u>	
			<u>June 30, 2015</u>	<u>December 31, 2014</u>	<u>2015</u>	<u>2014</u>
Siam Ferro Industry Co., Ltd	441,701	51.88	536,062	536,062	-	-
Rich Asia Engineering Co., Ltd	1,000	90.00	900	-	-	-
Total			536,962	536,062		
<u>Less</u> Allowance for impairment loss			(190,851)	(190,851)		
Net			346,111	345,211		

In the first quarter of the year 2015, the Company made additional investment in ordinary shares of Rich Asia Engineering Co., Ltd. for the value of Baht 0.90 million.

10. Investment in associate

Consisted of :-

(Unit : Thousand Baht)

<u>Name of companies</u>	<u>Percentage of Shareholding(%)</u>		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
			<u>At book value</u>		<u>Investment</u>	
			<u>equity method</u>		<u>cost method</u>	
			<u>As at</u>		<u>As at</u>	
	<u>June 30, 2015</u>	<u>December 31, 2014</u>	<u>June 30, 2015</u>	<u>December 31, 2014</u>	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Thai National Product Co., Ltd.	29.89	29.89	201,008	204,744	198,478	198,478

Financial information of associate company

The financial information as presented in the financial statements of the Thai National Product Co., Ltd., were as follows :-

	(Unit : Thousand Baht)	
	<u>As at</u>	
	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Current assets	344,529	461,211
Non-current assets	318,273	297,113
Total assets	662,802	758,324
Current liabilities	(247,705)	(347,062)
Non-current liabilities	(6,994)	(7,879)
Total liabilities	(254,699)	(354,941)
Total assets-net	408,103	403,383

	(Unit : Thousand Baht)	
	<u>For the three-month period</u>	<u>For the six-month period</u>
	<u>ended June 30, 2015</u>	<u>ended June 30, 2015</u>
Revenue	60,720	130,299
Profit from continuing operations	1,026	4,720
Profit before income tax from discontinued operations	-	-
Profit for the period	1,026	4,720
Other Comprehensive income for the period	-	-
Comprehensive income for the period	1,026	4,720
Dividend received from associate for the period	-	-

Reconciliation of financial data above, the carrying amount of the equity of the Thai National Product Co., in the consolidated financial statements.

	(Unit: Thousand Baht)	
	<u>As at</u>	
	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Net assets of the associate	408,103	403,383
Shareholding of the Companies (%)	29.89	29.89
	121,982	120,571
The reduction in the fair value acquisition date	79,256	84,173
Other adjustments	(230)	-
Book value of the Companies in associates	201,008	204,744

As at June 30, 2015 and December 31, 2014, the Company has pledge its shares of investment in associate, 7,705,000 shares, equivalent to 28.37% of shareholdings for both periods as collateral of short-term loan from other parties in the notes to financial statements No. 16.

11. Investment property

For the six-month period ended June 30, 2015, the movements of investment property were as follows :-

	(Unit : Thousand Baht)
	<u>Consolidated/Separate financial statement</u>
Book value at the beginning of the period	9,770
Depreciation for the period	(457)
Book value at the end of the period	<u>9,313</u>

As at June 30, 2015 and December 31, 2014, the consolidated and separate financial statements, the whole amount of investment property are pledged for loans granted by financial institutions in the notes to financial statements No. 13.

12. Property, plant and equipment

For the six-month period ended June 30, 2015, the movement of property, plant and equipment was as follows :-

	(Unit : Thousand Baht)	
	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Beginning book value	887,692	77,797
Purchase of assets	3,119	307
Disposal/Write off assets	(1,727)	(362)
Depreciation for the period	(38,075)	(4,371)
Accumulate depreciation disposal/written off assets	1,663	298
Ending book value	<u>852,672</u>	<u>73,669</u>

As at June 30, 2015 and December 31, 2014, The Group Companies has pledged the part of land, property and machinery with the book value stated in the consolidated and separate financial statements of Baht 64.88 million and Baht 67.58 million respectively, to guarantee against credit facility of the Company that receives from commercial banks and financial institutions according to the note to financial statement No.13.

13. Credit Facilities and guarantee

The Company have 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, 2015 and December 31, 2014, in amount of Baht 1,054.97 million and Baht 1,077.36 million respectively, It is pledged by the Company's mortgage of land and buildings and certain machinery of the Company, some land, buildings and machinery of associate, land and buildings of other company, notes receivable, a part of deposit at bank and guaranteed by associate, other company and director of the Company, and beneficiary from insurance in buildings, machinery and equipment to commercial bank and financial institutions.

14. Bank overdrafts and short-term loans from financial institutions

Consisted of :-

(Unit : Thousand Baht)

	<u>Consolidated/Separate financial statements</u>	
	<u>As at</u>	
	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Discount post dated cheques	7,617	26,756
Promissory notes	16,000	16,000
Total	<u>23,617</u>	<u>42,756</u>

As at June 30, 2015 and December 31, 2014, loan from discount post dated cheques, factoring and promissory note are carried by interest rates of 6.50%-6.75% per annum and 6.75% per annum respectively.

Promissory notes constitutes collaterals according to notes to the financial statements No. 13.

15. Trade and other payable

Consisted of :-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>June 30, 2015</u>	<u>December 31, 2014</u>	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Trade accounts payable related parties	8,647	8,651	8,647	8,647
Trade accounts payable other parties	218,900	197,057	218,003	176,935
Other accounts payable related parties	3,900	3,728	3,296	3,129
Other accounts payable other parties	28,564	41,406	23,794	36,636
Accrued expenses related parties	288	3,399	288	3,399
Accrued expenses other parties	18,042	47,461	13,160	42,595
Others	7,478	7,172	7,171	7,172
Total	285,819	308,874	274,359	278,513

The subsidiary entered into a compromise agreement with a trade payable to extend the debt repayment schedule. The Company has book value of trade payable amount of Baht 40.02 million and the amount of repayment totaling of Baht 31.51 million. However in the second quarter of the year 2015, The subsidiary can pay the full amount owed under the contract terms and the creditor is willing to compromise forgiven the remaining amount of Baht 8.51 million, which the subsidiary recognized as other income.

16. Short-term loans from other parties

Consisted of :-

(Unit : Thousand Baht)

	<u>Consolidated/Separate financial statements</u>	
	<u>As at</u>	
	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Bill of exchange	159,863	222,748

As at June 30, 2015 and December 31, 2014, the consolidated and separate financial statements, the whole amount is loan from bill of exchange issue to private placement investor through financial institutions whose recommend the investor for the Company. Such loan has maturity term for 6 months with financial cost equivalent to interest rate at 7.50%-8.00% and 8.00% per annum respectively. Such loan has shares of associate pledged as collateral.

17. Debentures

At 30 April 2015, the Company issued debentures unsubordinated and unsecured debentures 1 year 9 month, valued Baht 500 million, with interest rate of 6.50% per annum and payable quarterly, maturing 30 January 2017. This to support the operation and investment in 2015.

18. Liabilities under debt restructuring agreement

Consisted of :-

	(Unit : Thousand Baht)	
	<u>Consolidated/Separate financial statements</u>	
	<u>As at</u>	
	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Principal amount	1,031,358	1,031,358
Accrued interest expenses	380,118	352,428
Accrued interest pending for waiving	20,836	20,836
Total	1,432,312	1,404,622
<u>Less</u> Current portion	(46,800)	(39,000)
Net	1,385,512	1,365,622

The movements of liabilities under debt restructuring agreement for the six-month period ended June 30, 2015, are as follow :

	(Unit : Thousand Baht)
	<u>Consolidated/Separate financial statements</u>
Beginning book value	1,404,622
Realized pending accrued interest to reduce interest expense	3,421
Suspend accrued interest for the period	46,139
Repayment	(21,870)
Ending book value	1,432,312

The consolidated and separate financial statements, liabilities under debt 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 details of new repayment term as following:

- First tranche : The credit line of Baht 400.00 million, as at June 30, 2015, remaining balance amount of Baht 523.08 million comprise principal amount of Baht 373.73 million and accrued interest amount of Baht 149.35 million. (December 31, 2014: remaining balance amount of Baht 513.14 million comprise principal amount of Baht 373.73 million and accrued interest amount of Baht 139.40 million). The term repayment is monthly installments 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 275.00 million, as at June 30, 2015, remaining balance amount of Baht 396.32 million comprise principal amount of Baht 274.04 million and accrued interest amount of Baht 122.28 million. (December 31, 2014: remaining balance amount of Baht 389.23 million comprise of principal amount of Baht 274.04 million and accrued interest amount of Baht 115.19 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 250.00 million, as at June 30, 2015, remaining balance amount of Baht 234.52 million comprise principal amount of Baht 188.09 million and accrued interest amount of Baht 46.43 million. (December 31, 2014 : remaining balance amount of Baht 228.81 million comprise of principal amount of Baht 188.09 million and accrued interest amount of Baht 40.72 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 200.00 million, as at June 30, 2015, remaining balance amount of Baht 278.39 million comprise principal amount of Baht 195.50 million and accrued interest amount of Baht 82.89 million. (December 31, 2014: remaining balance amount of Baht 273.44 million comprise of principal amount of Baht 195.50 million and accrued interest amount of Baht 77.94 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 (Unit : Million Baht)

<u>Installment periods</u>	<u>First tranche</u>	<u>Second tranche</u>	<u>Third tranche</u>	<u>Fourth tranche</u>
Periods 1-9 (Apr 15-Dec 15)	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

In addition, the liabilities under debt restructuring agreement was defined the Company to make a repayment not less than Baht 450.00 million within January 31, 2017. Such repayment amount will be settle accrued interest and principal amount for all tranche of debt by allocation 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.

Liabilities under debt restructuring agreement constitutes collaterals according to notes to the financial statements No. 13.

19. Employee benefit obligations

Changes in the present value of the employee benefit obligations for the six-month period ended June 30, 2015 are as follows:-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Employee benefit obligations at the beginning of the period	1,668	1,190
Current service cost	30	14
Interest cost	17	5
Employee benefit obligations at the end of the period	1,715	1,209

Expenses recognized in statements of comprehensive income are shown collectively for the three-month and six-month periods ended June 30, 2015 and 2014, are as follows :-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the three-month period ended June 30,</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cost of goods sold	6	54	-	8
Selling expenses	3	6	3	4
Administrative expenses	5	128	4	115
Finance cost	9	54	2	13
Total	23	242	9	140

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the six-month period ended June 30,</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cost of goods sold	12	107	-	17
Selling expenses	6	19	6	9
Administrative expenses	12	249	8	229
Finance cost	17	109	5	26
Total	47	484	19	281

Principal actuarial assumptions at the reporting date are as follows:-

	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
	(%)	(%)
Discount rate	4.30-4.52	4.30-4.52
Salary increase rate	0.44-8.58	0.44-2.87
Mortality rate (Thai Mortality Ordinary Table 2008)	100 of mortality	100 of mortality
Disability rate	10 of mortality	10 of mortality
Employee turnover rate	0-63	26-46

20. Deferred tax liabilities

Deferred tax liabilities as at June 30, 2015 and December 31, 2014, were as follows :-

	(Unit : Thousand Baht)	
	<u>Consolidated financial statement</u>	
	<u>As at</u>	
	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Deferred tax liabilities	(96,242)	(99,005)
Net	<u>(96,242)</u>	<u>(99,005)</u>

The movement of deferred tax liabilities for the six-month period ended June 30, 2015, were as follows :-

)Unit : Thousand Baht(
	<u>Consolidated financial statement</u>		
	As at	(Charged)/credited to statements	As at
	January 1, 2015	of comprehensive income	June 30, 2015
	(Note 23)		
Deferred tax liabilities			
Property, plant and equipment	(99,005)	(2,763))96,242(
Total	<u>(99,005)</u>	<u>(2,763)</u>	<u>)96,242(</u>

As at June 30, 2015 and December 31, 2014, the Group Companies had temporary differences mainly arising from the unutilized tax losses carry forward in consolidated financial statement totaling Baht 1,010.97 million and Baht 984.97 million respectively and separate financial statement totaling Baht 836.90 million and Baht 815.34 million respectively which have not been recognized as deferred tax assets in the statement of financial position (because it is not probable that it will be able to utilize the tax benefit in the foreseeable future).

21. Share capital

The movement of share capital for the six-month period ended June 30, 2015 is as follow:-

	Number of share (Unit : Thousand share)	Amount (Unit : Thousand Baht)
Registered share capital (Baht 1.00 per share)		
As at January 1, 2015	2,400,000	2,400,000
Increased (decreased) shares during the period	-	-
As at June 30, 2015	2,400,000	2,400,000
Issued and paid-up share capital (Baht 1.00 per share)		
As at January 1, 2015	2,400,000	2,400,000
Increased (decreased) shares during the period	-	-
As at June 30, 2015	2,400,000	2,400,000

Capital management

The objectives of the Company and its subsidiaries' capital management are arrangement of appropriated financial structure and maintenance of ability in continuously business operation whereas there is policy of debt to equity ratio maintenance to hold in the rate that the Company and its subsidiaries can operate business while there is appropriated capital cost burden including policy of debt to equity ratio maintenance to comply with term in the loan contract that there are related financial institutes.

As at June 30, 2015 and December 31, 2014, in the consolidated financial statements, debt to equity ratio is 1.97 : 1.00 and 1.73 : 1.00 respectively and the separate financial statements, debt to equity ratio is 2.21 : 1.00 and 1.94 : 1.00 respectively.

22. Management benefit expense

The management benefit expense in consolidated and separate financial statements included the directors' remuneration benefits paid to the directors of the Company as per Section 90 of the Public Limited Company Act excluding salaries and related fringe benefits paid to directors who are the executives of the Company. The detail is as following:-

(Unit : Million Baht)

<u>Type of items</u>	<u>Consolidated and separate financial statements</u>			
	<u>For the three-month</u>		<u>For the six-month</u>	
	<u>period ended June 30,</u>		<u>period ended June 30,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Management benefit expense	0.23	0.10	0.50	0.21

23. Income tax revenues

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>for the three-month period ended June 31,</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current tax expense	-	1,340	-	-
Deferred tax expense (Note 20)				
Movements in temporary differences	(1,372)	(4,180)	-	-
Income tax revenues	(1,372)	(2,840)	-	-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>for the six-month period ended June 30,</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current tax expense	-	2,787	-	-
Deferred tax expense (Note 20)				
Movements in temporary differences	(2,763)	(8,224)	-	-
Income tax revenues	(2,763)	(5,437)	-	-

24. Basic loss per share

Basic loss per share is calculated by dividing loss for the period attributable to equity holders of the Company (excluding other comprehensive income) by the number of issued and paid-up ordinary shares during the period.

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>for the three-month period ended June 30,</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Loss for the period (Unit : Thousand Baht)	(38,366)	(46,497)	(27,594)	(46,836)
The number of issued and paid-up ordinary shares (Unit : Thousand shares)	2,400,000	1,004,546	2,400,000	1,004,546
Loss per share (Baht/share)	(0.016)	(0.046)	(0.011)	(0.047)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>for the six-month period ended June 30,</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Loss for the period (Unit : Thousand Baht)	(35,664)	(98,520)	(23,247)	(69,862)
The number of issued and paid-up ordinary shares (Unit : Thousand shares)	2,400,000	1,004,546	2,400,000	1,004,546
Loss per share (Baht/share)	(0.015)	(0.098)	(0.010)	(0.070)

25. Segment information

Segment information is presented in respect of the Group' 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 Group Company has segmentation at report for three-month periods ended June 31, 2015 and 2014 for comprise 1 and 3 main business segments respectively as follows:

Segment 1 : Produce and distribution of steel product.(2015 and 2014)

Segment 2 : Manufacture of foundation pile, transportation and pile driving.(2014)

Segment 3 : Manufacture of concrete product.(2014)

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 June 30, 2015 and 2014, revenues from 3 customer of the produce and distribution of steel product business segment represent approximately Baht 61.60 million and Baht 486.59 million, respectively, of the Group Company's total revenues.

For the six-month period ended June 30, 2015 and 2014, revenues from 3 customer of the produce and distribution of steel product business segment represent approximately Baht 984.50 million and Baht 1,004.06 million, respectively, of the Group Company's total revenues.

The segment financial information is as follows:

(Unit : Thousand Baht)

Consolidated financial statements

For the three-month period ended June 30

	Steel Product Business		Business Piles		Concrete Product Business		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
External revenue	500,274	527,643	-	42,969	-	17,824	500,274	588,436
Inter-segment revenue	100,571	207,596	-	-	-	-	100,571	270,596
Total revenue	600,845	798,239	-	42,969	-	17,824	600,845	859,032
Interest income	1,275	4	-	1,318	-	-	1,275	1,322
Interest expense	32,270	43,570	-	657	-	-	32,270	44,227
Depreciation and amortisation	20,375	11,498	-	2,032	-	1,238	20,375	14,768
Gain (loss) before income tax	(44,058)	(67,311)	-	1,282	-	2,621	(44,058)	(63,408)

(Unit : Thousand Baht)

Consolidated financial statements

	Steel Product Business		Business Piles		Concrete Product Business		Total	
	<u>June 30,</u>	<u>December 31,</u>	<u>June 30,</u>	<u>December 31,</u>	<u>June 30,</u>	<u>December 31,</u>	<u>June 30,</u>	<u>December 31,</u>
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Assets of segment	3,531,113	3,298,215	-	-	-	-	3,531,113	3,298,215
Capital expenditure	3,119	962	-	-	-	-	3,119	962
Liabilities of segment	2,853,644	2,592,948	-	-	-	-	2,853,644	2,592,948

(Unit : Thousand Baht)

Consolidated financial statements

For the six-month period ended June 30

	Steel Product Business		Business Piles		Concrete Product Business		Total	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
External revenue	2,447,932	1,381,077	-	116,577	-	27,236	2,447,932	1,524,890
Inter-segment revenue	177,822	408,103	-	-	-	-	177,822	408,103
Total revenue	2,625,754	1,789,180	-	116,577	-	27,236	2,625,754	1,932,993
Interest income	1,293	24	-	2,308	-	-	1,293	2,332
Interest expense	60,641	88,226	-	1,289	-	-	60,641	89,515
Depreciation and amortisation	38,791	23,127	-	4,087	-	2,432	38,791	29,646
Gain (loss) before income tax	(31,634)	(117,012)	-	4,940	-	3,874	(31,634)	(108,198)

(Unit : Thousand Baht)

Consolidated financial statements

	Steel Product Business		Business Piles		Concrete Product Business		Total	
	<u>June 30,</u>	<u>December 31,</u>	<u>June 30,</u>	<u>December 31,</u>	<u>June 30,</u>	<u>December 31,</u>	<u>June 30,</u>	<u>December 31,</u>
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Assets of segment	3,531,113	3,298,215	-	-	-	-	3,531,113	3,298,215
Capital expenditure	3,119	962	-	-	-	-	3,119	962
Liabilities of segment	2,853,644	2,592,948	-	-	-	-	2,853,644	2,592,948

Reconciliation of revenue, profit or loss, asset and liabilities

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Consolidated financial statements</u>	
	<u>For the three-month period ended June 30,</u>		<u>For the six-month period ended June 30,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Revenue				
Total revenue for reportable segments	600,845	859,032	2,625,754	1,932,993
Other income	22,492	10,716	41,720	23,842
	<u>623,337</u>	<u>869,748</u>	<u>2,667,474</u>	<u>1,956,835</u>
<u>Less</u> Inter-segment revenue	(100,571)	(270,596)	(177,822)	(408,103)
Interest income and others	(7,825)	(1,865)	(15,531)	(2,985)
Total revenue	<u>514,941</u>	<u>597,287</u>	<u>2,474,121</u>	<u>1,545,747</u>
Profit or loss				
Total profit or loss for reportable segments	(36,586)	(63,408)	(24,162)	(108,198)
Adjustment and elimination : inter-segment	(5,821)	2,355	(14,263)	(28,309)
Non allocate :				
Management benefit expenses	(2,515)	(2,425)	(5,075)	(5,143)
Share of loss on investment in associate	(2,251)	-	(3,736)	-
Total profit or loss before income tax	<u>(47,173)</u>	<u>(63,478)</u>	<u>(47,236)</u>	<u>(141,650)</u>

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>	
	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Assets		
Total assets for reportable segments	3,531,113	3,298,215
Adjustment and elimination : inter-segment	226,406	280,250
Total assets	<u>3,757,519</u>	<u>3,578,465</u>
Liabilities		
Total liabilities for reportable segments	2,853,644	2,592,948
Adjustment and elimination : inter-segment	(363,080)	(325,811)
Total liabilities	<u>2,490,564</u>	<u>2,267,137</u>

26. Obligations and contingent liabilities

Certain liabilities shown on the financial statements, the Company and its subsidiaries still remains contingent liabilities with commercial banks as follows:

(Unit: Million Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>June 30, 2015</u>	<u>December 31, 2014</u>	<u>June 30, 2015</u>	<u>December 31, 2014</u>
- Letter of guarantee has bank deposit of the Company and its subsidiary pledge for collateral	3.50	3.50	1.85	1.85

27. Interest rate risks

The Group companies had Exchange rate risks is derived from raw material purchased and imported from overseas; as a result, the Group companies constitute risk with respect to the change of exchange rate. However, the Group companies will consider using appropriately financial derivative so as to hedge against such risk when the exchange rate situation holds unstable trend. The Group Companies obtained liabilities in foreign currencies over which the contract to hedge against risk of exchange rates has not been conducted as follows :-

<u>Currency</u>	<u>Consolidated/Separate financial statements</u>	
	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Million US Dollor	2.57	2.58

28. Litigation

28.1 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 and interest rate at 12.00% per annum until the payment is settled. The civil court ordered the Company to pay the creditor. The remaining interest expenses of Bath 0.84 million, the Company has negotiated with creditor to reduce debt.

28.2 A lawsuit had been filed against the Company on case of financial consultant fees agreement in amont of Baht 11.62 million. The above obligation included the principle amount of Baht 10.70 million and its interest of Baht 0.92 million. In addition, the Company is obliged to pay an interest of 15.00% per annum as stated in the agreement. The lawsuit has currently undergone the Trial of First Instance

29. Approval of interim financial statements

These interim consolidated and separated financial statements were authorized for issue by the Company's authorized director on August 14, 2015.

RICH ASIA STEEL PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

For the six-month period ended June 30, 2015

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2015	2014	2015	2014
Cash flow from investing activities				
Cash payment for deposit investment	(20,000)	-	(20,000)	-
Increase in bank deposits pledged as collateral	(22)	(100)	(1)	(1)
Cash received from short-term loans from related parties	120,000	-	120,000	-
Cash payment from short-term loans from related parties	(120,000)	-	(120,000)	-
Cash received from interest	-	-	15,278	-
Cash payment for purchase of investment in subsidiary	-	-	(900)	-
Cash payment for purchase of property, plant and equipment	(2,931)	(1,338)	(307)	(260)
Cash received from sale of property, plant and equipment	1,592	-	362	-
Net cash used in investing activities	(21,361)	(1,438)	(5,568)	(261)
Cash flow from financing activities				
Increase (decrease) in bank overdrafts and short-term loans from financial institution	(19,139)	5,466	(19,139)	(33,141)
Cash payment in long-term loans from related persons	(65,000)	-	(65,000)	-
Cash received from short-term loans from related parties	114,000	-	114,000	120,820
Cash payment from short-term loans from related parties	(301,378)	-	(301,378)	(53,080)
Cash received from issuance of debentures	490,910	-	490,910	-
Cash received from convertible debenture conversion to common shares	-	8,932	-	8,932
Cash payment in liabilities under finance lease agreement	-	(514)	-	(302)
Cash paid for interest expenses	(24,902)	(4,843)	(24,902)	(3,896)
Increase on non-controlling interests	100	-	-	-
Net cash provided by financing activities	194,591	9,041	194,491	39,333
Cash and cash equivalent items increase (decrease)-net	(104,450)	9,548	(104,648)	5,806
Cash and cash equivalent items at the beginning of the period	297,061	4,905	296,018	3,295
Cash and cash equivalent items at the end of the period	192,611	14,453	191,370	9,101
1. Supplementary disclosure of cash flow information - non cash items				
- Purchase fixed assets by credit	188	27,323	-	-
- Offsetting between trade receivables and trade payables	-	1,127	-	-
2. Cash and cash equivalent items consisted of :-				
- Cash	35	170	30	46
- Banks, savings and current accounts.	192,576	14,283	191,340	9,055
Total	192,611	14,453	191,370	9,101

**Unaudited
Limited review only**

Notes to financial statements are an integral part of these financial statements.