

## **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 September 30, 2015 and the related consolidated and separate statements of comprehensive income for the three-month and nine-month periods ended on September 30, 2015, changes in shareholders' equity and cash flows for the nine-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 nine-month periods ended on September 30, 2014, changes in shareholder's equity and cash flows for the nine-month period then ended, presented herein as comparative information, were also reviewed by the another auditor who concluded under his report dated November 14, 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 Registration No. 4664

Bangkok,

November 13, 2015

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

**STATEMENT OF FINANCIAL POSITION**

**As at September 30, 2015**

**(Unit : Thousand Baht)**

	Consolidated financial statements		Separate financial statements		
	As at		As at		
	Notes	September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
	Unaudited Limited review only	Audited	Unaudited Limited review only	Audited	
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents items		445,667	297,061	444,531	296,018
Trade and other receivable	4.1 and 5	2,005,717	1,299,732	1,819,678	1,167,275
Short-term loans to related parties	4.1	-	-	389,200	389,200
Inventories	6	547,740	8,305	509,715	2,510
Advance payment for goods	7	97,658	861,307	88,692	746,717
Deposit for investment	8	30,000	-	30,000	-
Other current assets		2,018	2,903	1,889	2,780
Total current assets		3,128,800	2,469,308	3,283,705	2,604,500
<b>Non-current assets</b>					
Bank deposit pledged as collateral		3,719	3,696	1,855	1,855
Investment in subsidiaries	9	-	-	346,111	345,211
Investment in associate	10	194,870	204,744	198,478	198,478
Investment property	11	9,081	9,770	9,081	9,770
Property, plant and equipment	12	837,018	887,692	71,760	77,797
Other non-current assets		2,878	3,255	229	418
Total non-current assets		1,047,566	1,109,157	627,514	633,529
Total assets		4,176,366	3,578,465	3,911,219	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 September 30, 2015

(Unit : Thousand Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		As at		As at	
		September 30, 2015	December 31, 2014	September 30, 2015	December 31, 2014
		Unaudited Limited review only	Audited	Unaudited Limited review only	Audited
<b><u>Liabilities and shareholders' equity</u></b>					
Current liabilities					
Short-term loans from financial institutions	14	21,940	42,756	21,940	42,756
Trade and other payable	4.1 and 15	276,448	308,874	265,441	278,513
Short-term loans from other parties	16	162,844	222,748	162,844	222,748
Short-term loans from related parties	4.1	-	187,378	-	187,378
Current portion of liabilities under debt restructuring agreement					
	18	51,200	39,000	51,200	39,000
Other current liabilities		100	6	100	5
Total current liabilities		512,532	800,762	501,525	770,400
Non-current liabilities					
Debentures	17	983,353	-	983,353	-
Liabilities under debt restructuring agreement	18	1,396,141	1,365,622	1,396,141	1,365,622
Employee benefit obligations	19	1,739	1,668	1,219	1,190
Deferred tax liabilities	20	94,890	99,005	-	-
Others non-current liabilities		80	80	-	-
Total non-current liabilities		2,476,203	1,466,375	2,380,713	1,366,812
Total liabilities		2,988,735	2,267,137	2,882,238	2,137,212

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 September 30, 2015

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	As at		As at		
	Note	September 30, 2015	December 31, 2014	September 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		(970,462)	(868,818)	(808,884)	(737,048)
Other component of shareholders' equity		73,721	73,721	-	-
Total shareholders' equity of the parent company		941,124	1,042,768	1,028,981	1,100,817
Non-controlling interests		246,507	268,560	-	-
Total shareholders' equity		1,187,631	1,311,328	1,028,981	1,100,817
Total liabilities and shareholder's equity		4,176,366	3,578,465	3,911,219	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 September 30, 2015

(Unit : Thousand Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Revenue					
Revenue from sales		603,550	598,208	576,181	384,654
Revenue from services		-	35,856	-	-
Gain on sales of fixed assets		44	23,397	44	8
Other incomes		8,214	5,136	16,087	4,802
Total revenues		611,808	662,597	592,312	389,464
Expenses					
Cost of sales	6	617,168	595,982	575,395	377,153
Cost of services		-	28,250	-	-
Selling expenses		1,285	2,697	269	154
Administrative expenses		23,730	44,635	21,079	28,771
Loss on impairment of investment in subsidiary		-	-	-	42,500
Doubtful accounts (reversal)		-	11,074	-	11,793
Management benefit expenses	4.3 and 22	3,154	2,348	3,154	2,348
Finance costs		41,009	52,898	41,004	30,633
Total expenses		686,346	737,884	640,901	493,352
Loss before share of loss on investment in associate and income tax		(74,538)	(75,287)	(48,589)	(103,888)
Share of loss on investment in associate		(6,138)	-	-	-
Loss before income tax		(80,676)	(75,287)	(48,589)	(103,888)
Income tax (expenses) revenues	23	1,352	(6,210)	-	-
Loss for the period		(79,324)	(81,497)	(48,589)	(103,888)
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		(79,324)	(81,497)	(48,589)	(103,888)

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 September 30, 2015**

**(Unit : Thousand Baht)**

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Loss for the period attributable to :					
Equity holders of the parent company		(65,980)	(62,539)	(48,589)	(103,888)
Non-controlling interests of the subsidiaries		(13,344)	(18,958)	-	-
		<u>(79,324)</u>	<u>(81,497)</u>	<u>(48,589)</u>	<u>(103,888)</u>
Total comprehensive income attributable to :					
Equity holders of the parent company		(65,980)	(62,539)	(48,589)	(103,888)
Non-controlling interests of the subsidiaries		(13,344)	(18,958)	-	-
		<u>(79,324)</u>	<u>(81,497)</u>	<u>(48,589)</u>	<u>(103,888)</u>
<b>Basic loss per share</b>					
Equity holders of the parent company (Unit : Baht)	24	(0.027)	(0.061)	(0.020)	(0.101)

**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 nine-month period ended September 30, 2015**

**(Unit : Thousand Baht)**

	Notes	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
<b>Revenue</b>					
Revenue from sales		3,051,482	2,088,079	2,728,467	1,653,045
Revenue from services		-	70,874	-	-
Gain on sales of fixed assets		1,444	23,397	214	8
Other incomes		33,003	25,993	46,419	23,858
Total revenues		3,085,929	2,208,343	2,775,100	1,676,911
<b>Expenses</b>					
Cost of sales	6	3,024,937	2,109,470	2,676,778	1,627,442
Cost of services		-	57,929	-	-
Selling expenses		3,679	8,237	979	621
Administrative expenses		64,860	88,864	56,121	60,780
Loss on impairment of investment in subsidiary		-	-	-	63,500
Doubtful accounts (reversal)		(2,584)	13,087	-	11,793
Management benefit expenses	4.3 and 22	9,123	7,491	9,123	7,491
Finance costs		103,952	140,203	103,935	79,035
Total expenses		3,203,967	2,425,281	2,846,936	1,850,662
Loss before share of loss on investment in associate and income tax		(118,038)	(216,938)	(71,836)	(173,751)
Share of loss on investment in associate		(9,874)	-	-	-
Loss before income tax		(127,912)	(216,938)	(71,836)	(173,751)
Income tax (expenses) revenues	23	4,115	(773)	-	-
Loss for the period		(123,797)	(217,711)	(71,836)	(173,751)
<b>Other comprehensive income</b>					
<b>Item that will not be reclassified to profit or loss</b>					
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		(123,797)	(216,762)	(71,836)	(172,447)

**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 nine-month period ended September 30, 2015**

**(Unit : Thousand Baht)**

	Note	Consolidated financial statements		Separate financial statements	
		2015	2014	2015	2014
Loss for the period attributable to :					
Equity holders of the parent company		(101,644)	(161,059)	(71,836)	(173,751)
Non-controlling interests of the subsidiaries		(22,153)	(56,652)	-	-
		<u>(123,797)</u>	<u>(217,711)</u>	<u>(71,836)</u>	<u>(173,751)</u>
Total comprehensive income attributable to :					
Equity holders of the parent company		(101,644)	(160,308)	(71,836)	(172,447)
Non-controlling interests of the subsidiaries		(22,153)	(56,454)	-	-
		<u>(123,797)</u>	<u>(216,762)</u>	<u>(71,836)</u>	<u>(172,447)</u>
<b>Basic loss per share</b>					
Equity holders of the parent company (Unit : Baht)	24	(0.042)	(0.159)	(0.030)	(0.172)

**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**  
**CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**

For the nine-month period ended September 30, 2015

(Unit : Thousand Baht)

	Other component of equity							
	Issued and paid - up share capital	Premium (decrease) on share capital	deficit	Other Changes resulting from shareholders		Total		Total shareholders' equity
				Surplus from change in equity interest	Total Other component of equity	equity attributable to owners of the parent company	Non - controlling interests	
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	-	-	(161,059)	-	-	(161,059)	(56,652)	(217,711)
Other comprehensive income	-	-	751	-	-	751	198	949
Total comprehensive income for the period	-	-	(160,308)	-	-	(160,308)	(56,454)	(216,762)
Common shares increase by convertible debenture conversion	22,727	(13,545)	-	-	-	9,182	-	9,182
Deficit from change in shareholding of subsidiary	-	-	-	(8,246)	(8,246)	(8,246)	8,246	-
Non - controlling interests increase	-	-	-	-	-	-	25,060	25,060
Ending balance as at September 30, 2014	1,025,640	400,422	(1,338,020)	65,475	65,475	153,517	244,419	397,936
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	-	-	(101,644)	-	-	(101,644)	(22,153)	(123,797)
Comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	(101,644)	-	-	(101,644)	(22,153)	(123,797)
Increase on non-controlling interests	-	-	-	-	-	-	100	100
Ending balance as at September 30, 2015	2,400,000	(562,135)	(970,462)	73,721	73,721	941,124	246,507	1,187,631

**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 nine-month period ended September 30, 2015**

(Unit : Thousand Baht)

	Issued and paid-up share capital	Premiums (Decrease) on share capital	deficit	Total
Balance as at January 1, 2014	1,002,913	413,967	(1,006,015)	410,865
Loss for the period	-	-	(173,751)	(173,751)
Other comprehensive income	-	-	1,304	1,304
Total comprehensive income for the period	-	-	(172,447)	(172,447)
Common shares increase by convertible debenture conversion	22,727	(13,545)	-	9,182
Ending balance as at September 30, 2014	1,025,640	400,422	(1,178,462)	247,600
Balance as at January 1, 2015	2,400,000	(562,135)	(737,048)	1,100,817
Loss for the period	-	-	(71,836)	(71,836)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	(71,836)	(71,836)
Ending balance as at September 30, 2015	2,400,000	(562,135)	(808,884)	1,028,981

Unaudited

Limited review only

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

**STATEMENT OF CASH FLOWS**

**For the nine-month period ended September 30, 2015**

**(Unit : Thousand Baht)**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Cash flows from operating activities</b>				
Loss before income tax	(127,912)	(216,938)	(71,836)	(173,751)
Adjustments to reconcile loss before income tax for cash received (paid) from operations				
Depreciation	54,565	111,220	6,600	6,764
Depreciation for investment property	689	836	689	688
Doubtful accounts (reversal)	(2,584)	13,087	-	11,793
Employee benefits expense from share base payment transaction	-	10,060	-	-
Loss from declining in value of inventories (reversal)	15,326	404	14,917	(2,322)
Share of loss on investment in associates	9,874	-	-	-
Unrealized loss on exchange rate	-	6,036	-	5,505
Gain from disposed assets and written-off assets	(1,444)	(23,321)	(214)	(2)
Loss from impairment of investment in subsidiary company	-	-	-	63,500
Employee benefits expense	46	562	21	383
Interest income	(22)	(152)	(24,561)	-
Interest expenses	103,711	138,741	103,711	78,969
Interest expenses of employee benefits	25	164	8	39
Profit (loss) from operation before changes in operating assets and liabilities	52,274	40,699	29,335	(8,434)
Operating assets (increase) decrease				
Trade and other receivable	(703,402)	31,325	(650,969)	112,415
Inventories	(557,500)	(19,295)	(522,647)	(83,450)
Advance payments for goods	766,388	1,225	658,550	38,081
Other current assets	1,631	(776)	1,636	396
Retention receivables	-	16,096	-	-
Other non-current assets	392	235	189	-
Operating liabilities increase (decrease)				
Trade and other payable	(37,006)	(137,400)	(17,629)	(140,522)
Advance receive for goods	-	(9,494)	-	-
Long-term trade payables	-	(9,200)	-	-
Other current liabilities	94	1,951	95	-
Cash paid from operation	(477,129)	(84,634)	(501,440)	(81,514)
Cash received from interest	23	154	-	-
Cash paid for income tax	(761)	(6,433)	(745)	(289)
Net cash used in operating activities	(477,867)	(90,913)	(502,185)	(81,803)

**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 nine-month period ended September 30, 2015**

**(Unit : Thousand Baht)**

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
<b>Cash flow from investing activities</b>				
Cash payment for deposit investment	(30,000)	-	(30,000)	-
Cash received from short-term loans from related parties	-	-	120,000	-
Cash payment in short-term loans from related parties	-	-	(120,000)	-
Cash received from interest	-	-	23,127	-
Increase in bank deposits pledged as collateral	(23)	(851)	-	(700)
Cash payment for purchase of investment in subsidiary	-	-	(900)	-
Cash payment for purchase of property, plant and equipment	(3,780)	(64,407)	(475)	(350)
Cash received from sale of property, plant and equipment	1,507	7	277	7
<b>Net cash used in investing activities</b>	<b>(32,296)</b>	<b>(65,251)</b>	<b>(7,971)</b>	<b>(1,043)</b>
<b>Cash flow from financing activities</b>				
Increase (decrease) in short-term loans from financial institutions	(20,816)	154,174	(20,816)	(45,978)
Cash received from long-term loans from related persons	159,028	-	159,028	-
Cash payment in long-term loans from related persons	(230,000)	(4,226)	(230,000)	-
Cash received from short-term loans from related parties	114,000	-	114,000	226,620
Cash payment in short-term loans from related parties	(301,378)	-	(301,378)	(102,880)
Cash received from issuance of debentures	983,353	-	983,353	-
Cash received from convertible debenture conversion to common shares	-	9,182	-	9,182
Cash payment in liabilities under finance lease agreement	-	(2,084)	-	(404)
Cash paid for interest expenses	(45,518)	(10,069)	(45,518)	(6,037)
Cash received from increase on non-controlling interests	100	15,000	-	-
<b>Net cash received from financing activities</b>	<b>658,769</b>	<b>161,977</b>	<b>658,669</b>	<b>80,503</b>
Cash and cash equivalent items increase (decrease)-net	148,606	5,813	148,513	(2,343)
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	445,667	10,718	444,531	952
<b>1. Supplementary disclosure of cash flow information - non cash items</b>				
- Purchase fixed assets by credit	174	17,029	151	-
- Sale fixed asset by credit	-	23,453	-	-
- Offsetting between trade receivables and trade payables	-	1,341	-	-
<b>2. Cash and cash equivalent items consisted of :-</b>				
- Cash	57	137	34	75
- Banks, savings and current accounts	445,610	10,581	444,497	877
<b>Total</b>	<b>445,667</b>	<b>10,718</b>	<b>444,531</b>	<b>952</b>

**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 nine-month periods ended September 30, 2015****(UNAUDITED/LIMITED REVIEW ONLY)**

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**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 nine-month periods ended September 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 and revised financial reporting standards not yet effective

The Federation of Accounting Professions has published new and revised accounting standards, financial reporting standards, interpretations accounting standards, interpretations financial reporting standards and accounting practices that are mandatory for annual periods beginning on or after January 1, 2016. The Group has not yet early adopted these new and revised financial reporting standards which are as follows:

<u>Reference standard No.</u>	<u>Name</u>
<u>Thai Accounting Standards (TAS)</u>	
TAS 1 (revised 2015)	Presentation of Financial Statements
TAS 2 (revised 2015)	Inventories
TAS 7 (revised 2015)	Statement of Cash Flows
TAS 8 (revised 2015)	Accounting Policies, Changes in Accounting Estimate and Errors
TAS 10 (revised 2015)	Events After the Reporting Period
TAS 11 (revised 2015)	Construction Contracts

<u>Reference standard No.</u>	<u>Name</u>
<u>Thai Accounting Standards (TAS) (Continue)</u>	
TAS 12 (revised 2015)	Income Taxes
TAS 16 (revised 2015)	Property, Plant and Equipment
TAS 17 (revised 2015)	Leases
TAS 18 (revised 2015)	Revenue
TAS 20 (revised 2015)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2015)	The Effects of Changes in Foreign Exchange Rates
TAS 23 (revised 2015)	Borrowing Costs
TAS 24 (revised 2015)	Related Party Disclosures
TAS 26 (revised 2015)	Accounting and Reporting by Retirement Benefit Plans
TAS 27 (revised 2015)	Separate Financial Statements
TAS 28 (revised 2015)	Investments in Associates and Joint Ventures
TAS 29 (revised 2015)	Financial Reporting in Hyperinflationary Economies
TAS 33 (revised 2015)	Earnings per Share
TAS 34 (revised 2015)	Interim Financial Reporting
TAS 37 (revised 2015)	Provisions, Contingent Liabilities and Contingent Assets
TAS 40 (revised 2015)	Investment Property
<u>Thai Financial Reporting Standards (TFRS)</u>	
TFRS 3 (revised 2015)	Business Combinations
TFRS 4 (revised 2015)	Insurance Contracts
TFRS 5 (revised 2015)	Non-current Assets Held for Sale and Discounted Operations
TFRS 6 (revised 2015)	Exploration for and Evaluation of Mineral Resources
TFRS 8 (revised 2015)	Operating Segments
TFRS 11(revised 2015)	Joint Arrangements
TFRS 12(revised 2015)	Disclosure of Interests in Other Entities
<u>Thai Accounting Standard Interpretations (TSIC)</u>	
TSIC 10 (revised 2015)	Government Assistance-No Specific Relation to Operating Activities
TSIC 15 (revised 2015)	Operating Leases-Incentives
TSIC 25 (revised 2015)	Income Taxes-Changes in the Tax Status of an Enterprise or its Shareholders
TSIC 27 (revised 2015)	Evaluating the Substance of Transactions in the Legal Form of a Lease
TSIC 29 (revised 2015)	Service Concession Arrangements: Disclosures
TSIC 31 (revised 2015)	Revenue-Barter Transactions involving Advertising Services
TSIC 32 (revised 2015)	Intangible Assets-Web Site Costs
<u>Thai Financial Reporting Interpretations (TFRIC)</u>	
TFRIC 1 (revised 2015)	Changes in Existing Decommissioning, Restoration and Similar Liabilities
TFRIC 4 (revised 2015)	Determining Whether an Arrangement Contains a Lease
TFRIC 5 (revised 2015)	Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
TFRIC 7 (revised 2015)	Applying the Restatement Approach under TAS 29 (revised 2015) Financial Reporting in Hyperinflationary Economies



<u>Reference standard No.</u>	<u>Name</u>
<u>Thai Financial Reporting Interpretations (TFRIC) (Continue)</u>	
TFRIC 10 (revised 2015)	Interim Financial Reporting and Impairment
TFRIC 12 (revised 2015)	Service Concession Arrangements
TFRIC 13 (revised 2015)	Customer Loyalty Programmer
TFRIC 14(revised 2015)	TAS 19 (revised 2015)-The Limit on a Defined Benefit Asset, Minimum Funding Requirement and their Interaction
TFRIC 15 (revised 2015)	Agreements for the Construction of Real Estate
TFRIC 17 (revised 2015)	Distributions of Non-cash Assets to Owners
TFRIC 18 (revised 2015)	Transfers of Assets from Customers
TFRIC 20 (revised 2015)	Stripping Costs in the Production Phase of a Surface Mine

The management of the Group believes that above financial reporting standards will not have any significant impact on the financial statements in the period of initial application.

### 3. Principles of interim consolidation financial statements

The interim consolidated financial statements for the three-month and nine-month periods ended September 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>
Rich Asia Industry Co., Ltd. (Formerly 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>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2015</u>	<u>December 31, 2014</u>
<u>Trade and other receivable</u>				
Rich Asia Industry Co., Ltd.	-	-	52,263	35,615
Rich Asia Engineering Co., Ltd.	-	-	20	-
Thai National Product Co., Ltd.	37	1,878	1	1,742
PNB Inter Group Co., Ltd.	2,929	3,702	2,929	3,702
Star Decor & Design Co., Ltd.	2,579	5,004	2,579	5,004
Total	5,545	10,584	57,792	46,063
<u>Less</u> Allowance for doubtful debt	-	-	(5,296)	(5,296)
Trade and other receivable-Net	5,545	10,584	52,496	40,767
<u>Short-term loans to related parties</u>				
- Rich Asia 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 short-term loans to related parties	-	-	389,200	389,200

As at September 30, 2015 and December 31, 2014, the Company had short-term 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>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2015</u>	<u>December 31, 2014</u>
<u>Trade and other payable</u>				
Thai National Product Co., Ltd.	-	3,403	-	3,399
G.T. Steel Works Co., Ltd.	11,747	11,747	11,747	11,747
Director	618	628	19	29
Total	12,365	15,778	11,766	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 September 30, 2015 and December 31, 2014, the Company short-term 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 September 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 of goods	33	-	-	-
Other income	4	-	4	-
Other expenses	180	-	180	-
Interest expense	-	150	-	-
Consultation fees	-	1,020	-	1,020

(Unit : Thousand Baht)

Consolidated financial statements   Separate financial statements  
for the three-month period ended September 30,

	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<u>Transactions with subsidiaries</u>				
(Eliminated from consolidated financial statements)				
Revenues from sales of goods	-	-	69	9,529
Revenues from sales of raw materials	-	-	62,581	91,992
Other income	-	-	62	14
Interest income	-	-	7,848	-
Interest expenses	-	-	-	2,622

(Unit : Thousand Baht)

Consolidated financial statements   Separate financial statements  
for the nine-month period ended September 30,

	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<u>Transactions with related person and related company</u>				
Revenues from sales of goods	29,882	-	29,849	-
Revenues from sales of raw materials	2,766	-	2,766	-
Other income	51	-	51	-
Interest income	560	-	560	-
Other expenses	608	-	604	-
Interest expense	3,902	450	3,902	-
Consultation fees	-	1,380	-	1,380

Transactions with subsidiaries

(Eliminated from consolidated financial statements)

Revenues from sales of goods	-	-	69	9,919
Revenues from sales of raw materials	-	-	216,156	453,517
Other income	-	-	153	177
Interest income	-	-	23,288	-
Purchase of goods	-	-	24,248	45,306
Subcontract production cost	-	-	-	8
Interest expenses	-	-	-	4,853

#### 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 September 30,</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Short-term employee benefits	3,152	2,346	3,152	2,346
Post-employment benefits	2	2	2	2
Total	3,154	2,348	3,154	2,348

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>for the nine-month period ended September 30,</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Short-term employee benefits	9,116	7,484	9,116	7,484
Post-employment benefits	7	7	7	7
Total	9,123	7,491	9,123	7,491

#### 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>
Rich Asia Industry Co., Ltd. (Formerly 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>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2015</u>	<u>December 31, 2014</u>
Trade receivable-related parties	5,544	10,566	49,915	39,622
Trade receivable-other parties	1,949,113	1,226,002	1,718,145	1,067,264
Post dated cheques-other parties	26,514	51,692	26,514	51,692
Total Trade receivable	1,981,171	1,288,260	1,794,574	1,158,578
<u>Less</u> Allowance for doubtful accounts	-	(2,584)	-	-
Trade receivable-net	1,981,171	1,285,676	1,794,574	1,158,578
Other receivable-related parties	1	18	7,877	6,441
Other receivable-other parties	2,091	6,016	1,946	5,918
Revenue department receivable	19,236	6,388	17,359	-
Others	3,218	1,634	3,218	1,634
Total Other receivable	24,546	14,056	30,400	13,993
<u>Less</u> Allowance for doubtful accounts	-	-	(5,296)	(5,296)
Trade receivables-net	24,546	14,056	25,104	8,697
Total Trade and other receivable-net	2,005,717	1,299,732	1,819,678	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>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2015</u>	<u>December 31, 2014</u>
Within credit term	36	3,702	23,566	12,756
Over due 1 to 90 days	3,153	1,860	23,994	18,719
Over due 91 to 180 days	2,355	5,004	2,355	8,147
Total	5,544	10,566	49,915	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>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2015</u>	<u>December 31, 2014</u>
Within credit term	399,961	757,788	387,079	669,568
Over due 1 to 90 days	805,837	379,545	632,922	315,233
Over due 91 to 180 days	769,829	78,801	724,658	76,038
Over due 181 to 365 days	-	58,976	-	58,117
Over due over 1 year	-	2,584	-	-
Total	1,975,627	1,277,694	1,744,659	1,118,956
<u>Less</u> Allowance for doubtful	-	(2,584)	-	-
Net	1,975,627	1,275,110	1,744,659	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 nine-month period ended September 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 September 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 5.94 million and Bath 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>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2015</u>	<u>December 31, 2014</u>
Finished goods	327,701	5,823	296,520	286
Raw materials	206,185	2,182	196,303	1,327
Supplies	4,534	4,601	885	1,134
Good in transit	31,686	-	31,686	-
Total	570,106	12,606	525,394	2,747
<u>Less</u> Allowance for declining in value of inventories	(22,366)	(4,301)	(15,679)	(237)
Net	547,740	8,305	509,715	2,510

A movement of allowance for diminution in value of inventories for the nine-month period ended September 30, 2015 are as follow :-

	(Unit : Thousand Baht)	
	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Beginning balance	(4,301)	(237)
Increase during the period	(18,065)	(15,442)
Ending balance	(22,366)	(15,679)

	(Unit : Thousand Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>for the three-month period ended September 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	609,742	591,211	569,275	376,669
- Written down value to net realizable value	7,426	4,771	6,120	484
Net	617,168	595,982	575,395	377,153



(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>for the nine-month period ended September 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	3,009,611	2,109,066	2,661,861	1,629,764
- Written down value to net realizable value (reversal)	15,326	404	14,917	(2,322)
Net	3,024,937	2,109,470	2,676,778	1,627,442

#### 7. Advance payment 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>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 30, 2015</u>	<u>December 31, 2014</u>
Advance payments for goods	103,326	869,714	94,360	752,910
<u>Less</u> Allowance for decline in value of inventories	-	(2,739)	-	(525)
Allowance for doubtful accounts	(5,668)	(5,668)	(5,668)	(5,668)
Net	97,658	861,307	88,692	746,717

A movement of allowance for diminution in value of inventories and allowance for doubtful for the nine-month period ended September 30, 2015 are as follow:-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
Beginning balance	(8,407)	(6,193)
Reversal during the period	2,739	525
Ending balance	(5,668)	(5,668)

#### 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 Limited of 7,497,000 shares; 51% of total shares. As at September 30, 2015, the Company paid deposits for investment totaling Bath 30.00 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> <u>share capital</u>	<u>Percentage of</u> <u>Shareholding(%)</u>	<u>Separate financial statements</u>			
			<u>Investment</u>		<u>Dividend</u>	
			<u>cost method</u>		<u>For the nine-month period</u>	
			<u>As at</u>		<u>ended September 30,</u>	
			<u>September 30, 2015</u>	<u>December 31, 2014</u>	<u>2015</u>	<u>2014</u>
Rich Asia 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>September 30,</u>	<u>December 31,</u>	<u>September 30,</u>	<u>December 31,</u>	<u>September 30,</u>	<u>December 31,</u>
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Thai National Product Co., Ltd.	29.89	29.89	194,870	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>September 30, 2015</u>	<u>December 31, 2014</u>
Current assets	201,159	461,211
Non-current assets	328,323	297,113
Total assets	529,482	758,324
Current liabilities	(126,524)	(347,062)
Non-current liabilities	(6,534)	(7,879)
Total liabilities	(133,058)	(354,941)
Total assets-net	396,424	403,383

	(Unit : Thousand Baht)	
	<u>For the three-month period</u>	<u>For the nine-month period</u>
	<u>ended September 30, 2015</u>	<u>ended September 30, 2015</u>
Revenue	30,971	161,270
Loss from continuing operations	(11,679)	(6,959)
Profit before income tax from discontinued operations	-	-
Loss for the period	(11,679)	(6,959)
Other Comprehensive income for the period	-	-
Comprehensive income for the period	(11,679)	(6,959)
Dividend received from associate for the period	-	-

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

	(Unit: Thousand Baht)	
	<u>As at</u>	
	<u>September 30, 2015</u>	<u>December 31, 2014</u>
Net assets of the associate	396,424	403,383
Shareholding of the Companies (%)	29.89	29.89
	118,491	120,571
The reduction in the fair value acquisition date	76,589	84,173
Other adjustments	(210)	-
Book value of the Company in associates	194,870	204,744

As at September 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 nine-month period ended September 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	(689)
Book value at the end of the period	<u>9,081</u>

As at September 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 nine-month period ended September 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	3,954	626
Disposal/Write off assets	(1,965)	(600)
Depreciation for the period	(54,565)	(6,600)
Accumulate depreciation disposal/written off assets	1,902	537
Ending book value	<u>837,018</u>	<u>71,760</u>

As at September 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 63.50 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 September 30, 2015 and December 31, 2014, in amount of Baht 1,053.30 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. Short-term loans from financial institutions

Consisted of :-

	(Unit : Thousand Baht)	
	<u>Consolidated/Separate financial statements</u>	
	<u>As at</u>	
	<u>September 30, 2015</u>	<u>December 31, 2014</u>
Discount post dated cheques	5,940	26,756
Promissory notes	16,000	16,000
Total	21,940	42,756

As at September 30, 2015 and December 31, 2014, loan from discount post dated cheques, factoring and promissory note are carried by interest rates of 6.50%-6.625% 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>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 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	208,228	197,057	207,653	176,935
Other accounts payable related parties	3,718	3,728	3,119	3,129
Other accounts payable other parties	26,029	41,406	20,816	36,636
Accrued expenses related parties	-	3,399	-	3,399
Accrued expenses other parties	22,654	47,461	18,034	42,595
Others	7,172	7,172	7,172	7,172
Total	276,448	308,874	265,441	278,513

The subsidiary entered into a compromise agreement with a trade 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. 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>September 30, 2015</u>	<u>December 31, 2014</u>
Bill of exchange	162,844	222,748

As at September 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% and 8.00% per annum respectively. Such loan has shares of associate pledged as collateral.

## 17. Debentures

As at April 30, 2015, the Company issued debentures No. 1/2015 is unsubordinated and unsecured debentures 1 year 9 month, valued Baht 500 million, with interest rate of 6.50% per annum and payable quarterly, maturing on January 30, 2017. This to support the operation and investment in 2015.

As at June 17, 2015, the Company issued debentures No. 2/2015 is unsubordinated and unsecured debentures 2 year, valued Baht 500 million, with interest rate of 6.50% per annum and payable quarterly, maturing on July 16, 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>September 30, 2015</u>	<u>December 31, 2014</u>
Principal amount	1,031,358	1,031,358
Accrued interest expenses	395,147	352,428
Accrued interest pending for waiving	20,836	20,836
Total	1,447,341	1,404,622
<u>Less</u> Current portion	(51,200)	(39,000)
Net	1,396,141	1,365,622

The movements of liabilities under debt restructuring agreement for the nine-month period ended September 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	5,596
Suspend accrued interest for the period	69,591
Repayment	(32,468)
Ending book value	1,447,341

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 September 30, 2015, remaining balance amount of Baht 528.48 million comprise principal amount of Baht 373.73 million and accrued interest amount of Baht 154.75 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 September 30, 2015, remaining balance amount of Baht 400.17 million comprise principal amount of Baht 274.04 million and accrued interest amount of Baht 126.13 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 September 30, 2015, remaining balance amount of Baht 237.61 million comprise principal amount of Baht 188.09 million and accrued interest amount of Baht 49.52 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 September 30, 2015, remaining balance amount of Baht 281.08 million comprise principal amount of Baht 195.50 million and accrued interest amount of Baht 85.58 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 nine-month period ended September 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	46	21
Interest cost	25	8
Employee benefit obligations at the end of the period	1,739	1,219

Expenses recognized in statements of comprehensive income are shown collectively for the three-month and nine-month periods ended September 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 September 30,</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cost of goods sold	6	53	-	8
Selling expenses	4	10	3	5
Administrative expenses	6	124	4	115
Finance cost	8	55	3	13
Total	24	242	10	141

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the nine-month period ended September 30,</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Cost of goods sold	18	160	-	25
Selling expenses	10	29	9	14
Administrative expenses	18	373	12	344
Finance cost	25	164	8	39
Total	71	726	29	422

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 September 30, 2015 and December 31, 2014, were as follows :-

(Unit : Thousand Baht)

	<u>Consolidated financial statement</u>	
	<u>As at</u>	
	<u>September 30, 2015</u>	<u>December 31, 2014</u>
Deferred tax liabilities	(94,890)	(99,005)
Net	<u>(94,890)</u>	<u>(99,005)</u>

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

)Unit : Thousand Baht(

	<u>Consolidated financial statement</u>		
	<u>As at</u>	<u>(Charged)/credited to statements</u>	<u>As at</u>
	<u>January 1, 2015</u>	<u>of comprehensive income</u>	<u>September 30, 2015</u>
	<u>(Note 23)</u>		
Deferred tax liabilities			
Property, plant and equipment	(99,005)	4,115	(94,890)
Total	<u>(99,005)</u>	<u>4,115</u>	<u>(94,890)</u>

As at September 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 1,079.97 million and Baht 984.97 million respectively and separate financial statement totaling Baht 884.90 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 nine-month period ended September 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 September 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 September 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 September 30, 2015 and December 31, 2014, in the consolidated financial statements, debt to equity ratio is 2.52: 1.00 and 1.73 : 1.00 respectively and the separate financial statements, debt to equity ratio is 2.80 : 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 : Thousand Baht)

<u>Type of items</u>	<u>Consolidated and separate financial statements</u>			
	<u>For the three-month</u>		<u>For the nine-month</u>	
	<u>period ended September 30,</u>		<u>period ended September 30,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Management benefit expense	115	115	535	325

23. Expense (income) tax revenues

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>for the three-month period ended September 31,</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current tax expense	-	9,780	-	-
Deferred tax expense				
Movements in temporary differences	(1,352)	(3,570)	-	-
Expense (income) tax revenues	(1,352)	6,210	-	-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>for the nine-month period ended September 30,</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Current tax expense	-	12,567	-	-
Deferred tax expense (Note 20)				
Movements in temporary differences	(4,115)	(11,794)	-	-
Expense (income) tax revenues	(4,115)	773	-	-

## 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 September 30,</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Loss for the period (Unit : Thousand Baht)	(65,980)	(62,539)	(48,589)	(103,888)
The number of issued and paid-up ordinary shares (Unit : Thousand shares)	2,400,000	1,025,640	2,400,000	1,025,640
Loss per share (Baht/share)	(0.027)	(0.061)	(0.020)	(0.101)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>for the nine-month period ended September 30,</u>			
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Loss for the period (Unit : Thousand Baht)	(101,644)	(161,059)	(73,836)	(173,751)
The number of issued and paid-up ordinary shares (Unit : Thousand shares)	2,400,000	1,011,654	2,400,000	1,011,654
Loss per share (Baht/share)	(0.042)	(0.159)	(0.030)	(0.172)

## 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 September 30, 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 September 30, 2015, revenues from 4 customer of the produce and distribution of steel product business segment represent approximately Baht 316.34 million of the Company and its subsidiaries 's total revenues. (2014 : revenues from 2 customer of the produce and distribution of steel product business segment represent approximately Baht 523.20 million.)

For the nine-month period ended September 30, 2015, revenues from 4 customer of the produce and distribution of steel product business segment represent approximately Baht 1,674.96 million. (2014 : revenues from 2 customer of the produce and distribution of steel product business segment represent approximately Baht 750.20 million.)

The segment financial information is as follows:

(Unit : Thousand Baht)

		<u>Consolidated financial statements</u>							
		For the three-month period ended September 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		603,550	503,663	-	107,857	-	22,544	603,550	634,064
Inter-segment revenue		62,651	102,212	-	-	-	-	62,651	102,212
Total revenue		666,201	605,875	-	107,857	-	22,544	666,201	736,276
Interest income		-	3	-	2,671	-	-	-	2,674
Interest expense		40,394	50,869	-	3,374	-	-	40,394	54,243
Depreciation and amortisation		16,939	11,026	-	2,104	-	1,289	16,939	14,419
Gain (loss) before income tax		(75,771)	(134,320)	-	27,662	-	9,520	(75,771)	(97,138)



(Unit : Thousand Baht)

Consolidated financial statements

For the nine-month period ended September 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	3,051,482	1,884,739	-	224,434	-	49,780	3,051,482	2,158,953
Inter-segment revenue	240,473	510,315	-	-	-	-	240,473	510,315
Total revenue	3,291,955	2,395,054	-	224,434	-	49,780	3,291,955	2,669,268
Interest income	1,293	27	-	4,979	-	-	1,293	5,006
Interest expense	101,035	139,095	-	4,663	-	-	101,035	143,758
Depreciation and amortisation	55,730	34,153	-	6,191	-	3,721	55,730	44,065
Gain (loss) before income tax	(107,405)	(251,332)	-	32,602	-	13,394	(107,405)	(205,336)

(Unit : Thousand Baht)

Consolidated financial statements

	Steel Product Business		Business Piles		Concrete Product Business		Total	
	<u>September 30,</u>	<u>December 31,</u>	<u>September 30,</u>	<u>December 31,</u>	<u>September 30,</u>	<u>December 31,</u>	<u>September 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	3,943,165	3,298,215	-	-	-	-	3,943,165	3,298,215
Capital expenditure	3,954	962	-	-	-	-	3,954	962
Liabilities of segment	3,335,328	2,592,948	-	-	-	-	3,335,328	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</u>		<u>For the nine-month</u>	
	<u>period ended September 30,</u>		<u>period ended September 30,</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Revenue</b>				
Total revenue for reportable segments	666,201	736,276	3,291,955	2,669,268
Other income	16,167	31,169	57,887	55,011
	<u>682,368</u>	<u>767,445</u>	<u>3,349,842</u>	<u>2,724,279</u>
<u>Less</u> Inter-segment revenue	(62,651)	(102,212)	(240,473)	(510,315)
Interest income and others	(7,909)	(2,636)	(23,440)	(5,621)
Total revenue	<u>611,808</u>	<u>662,597</u>	<u>3,085,929</u>	<u>2,208,343</u>
<b>Profit or loss</b>				
Total profit or loss for reportable segments	(75,771)	(97,138)	(107,405)	(205,336)
Adjustment and elimination : inter-segment	4,387	24,199	(1,510)	(4,111)
Non allocate :				
Management benefit expenses	(3,154)	(2,348)	(9,123)	(7,491)
Share of loss on investment in associate	(6,138)	-	(9,874)	-
Total profit or loss before income tax	<u>(80,676)</u>	<u>(75,287)</u>	<u>(127,912)</u>	<u>(216,938)</u>

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>	
	<u>September 30, 2015</u>	<u>December 31, 2014</u>
<b>Assets</b>		
Total assets for reportable segments	3,943,165	3,298,215
Adjustment and elimination : inter-segment	233,201	280,250
Total assets	<u>4,176,366</u>	<u>3,578,465</u>
<b>Liabilities</b>		
Total liabilities for reportable segments	3,335,328	2,592,948
Adjustment and elimination : inter-segment	(346,593)	(325,811)
Total liabilities	<u>2,988,735</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>September 30, 2015</u>	<u>December 31, 2014</u>	<u>September 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>September 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 November 13, 2015.

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