

REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION BY INDEPENDENT AUDITOR

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

I have reviewed the accompanying consolidated and separate statements of financial position as at March 31, 2017 and the related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period then ended and condensed notes to financial statements of RICH ASIA CORPORATION PUBLIC COMPANY LIMITED and its subsidiaries and also of RICH ASIA CORPORATION PUBLIC COMPANY LIMITED. The management of the entity is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No. 34 "Interim Financial Reporting". My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of review

I conducted my review in accordance with Thai 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 Thai Accounting Standard No. 34, "Interim Financial Reporting".

Emphasis of matter and event

I draw attention to the note to financial statement No. 2.1 the Group and the Company incurred a net loss for the three-month period ended March 31, 2017 in the consolidated financial statement amount of Baht 304.99 million and in the separate financial statement amount of Baht 239.08 million respectively and as at March 31, 2017 the Group and the Company had current liabilities exceeded current assets by Baht 1,015.20 million and Baht 751.75 million and total liabilities exceeded total assets by Baht 179.06 million and Baht 181.04 million respectively. These conditions, along with other matters as set forth in note to financial statements No. 14, 16, 17, 18 and 25 indicate the existence of a material uncertainty that may cast significant doubt about the Group and the Company's ability to continue as a going concern. My conclusion is not qualified in respect of these matters.

Other Matters

The accompanying consolidated and separate statements of financial position as at December 31, 2016 of RICH ASIA CORPORATION PUBLIC COMPANY LIMITED and its subsidiaries and also of RICH ASIA CORPORATION PUBLIC COMPANY LIMITED, which presented for comparative information purposes, were audited by another auditor in the same audit firm, who expressed an unqualified opinion on those financial statement in her report date February 27, 2017, while drawing attention regarding material uncertainty to the ability of the Group and the Company to continue as a going concern. The related consolidated and separate statements of comprehensive income, changes in shareholders' equity and cash flows for the three-month period ended March 31, 2016, which presented for comparative information purposes, were also reviewed by the aforementioned auditor who concluded, under her report dated May 13, 2016, that nothing had come to her attention that caused her 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.

(Mr. Naris Saowalagsakul)

Certified Public Accountant Registration No. 5369

Bangkok,

May 12, 2017

RICH ASIA CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

As At March 31, 2017

(Unit : Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		As at		As at	
	Notes	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
		Unaudited	Audited	Unaudited	Audited
		Limited review only		Limited review only	
<u>Assets</u>					
Current assets					
Cash and cash equivalents items		171,010	181,863	131,696	179,560
Trade and other receivable	4.1 and 5	1,031,271	1,305,829	956,707	1,160,251
Short-term loans to related parties	4.1	-	-	389,200	389,200
Short-term loans to other person	6	30,000	30,000	30,000	30,000
Inventories	7	358,807	116,750	234,847	79,029
Advance payment for goods	4.1 and 8	-	203,394	34,970	206,665
Total current assets		1,591,088	1,837,836	1,777,420	2,044,705
Non-current assets					
Bank deposit pledged as collateral		3,816	3,800	1,918	1,914
Investment in subsidiaries	9	-	-	305,074	305,074
Investment in associate	10	174,533	177,360	198,478	198,478
Investment property	11	7,699	7,926	7,699	7,926
Property, plant and equipment	12	736,265	752,415	58,955	60,994
Other non-current assets		2,874	2,888	255	261
Total non-current assets		925,187	944,389	572,379	574,647
Total assets		2,516,275	2,782,225	2,349,799	2,619,352

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

RICH ASIA CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

As At March 31, 2017

(Unit : Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		As at		As at	
	Notes	March 31, 2017	December 31, 2016	March 31, 2017	December 31, 2016
		Unaudited	Audited	Unaudited	Audited
		Limited review only		Limited review only	
<u>Liabilities and shareholders' equity</u>					
Current liabilities					
Short-term loans from financial institutions	14	16,000	20,000	16,000	20,000
Trade and other payable	4.1 and 15	314,404	275,761	237,280	270,423
Short-term loans from other persons and parties	16	124,905	133,482	124,905	133,482
Debentures	17	1,227,193	1,224,917	1,227,193	1,224,917
Liabilities under debt restructuring agreement	18	923,788	910,888	923,788	910,888
Total current liabilities		2,606,290	2,565,048	2,529,166	2,559,710
Non-current liabilities					
Employee benefit obligations	19	3,430	3,289	1,673	1,604
Deferred tax liabilities	20	85,613	87,959	-	-
Total non-current liabilities		89,043	91,248	1,673	1,604
Total liabilities		2,695,333	2,656,296	2,530,839	2,561,314
Shareholders' equity					
Share capital					
Authorized share capital					
9,600,000,000 ordinary shares @ Baht 1.00		9,600,000	9,600,000	9,600,000	9,600,000
Issued and paid-up share capital					
3,115,268,236 ordinary shares @ Baht 1.00		3,115,268	3,115,268	3,115,268	3,115,268
Discount on share capital		(1,062,823)	(1,062,823)	(1,062,823)	(1,062,823)
Deficit		(2,458,275)	(2,180,053)	(2,233,485)	(1,994,407)
Other component of shareholders' equity		73,689	73,689	-	-
Total shareholders' equity of the Company		(332,141)	(53,919)	(181,040)	58,038
Non-controlling interests		153,083	179,848	-	-
Total shareholders' equity		(179,058)	125,929	(181,040)	58,038
Total liabilities and shareholder's equity		2,516,275	2,782,225	2,349,799	2,619,352

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

RICH ASIA CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME

For the three-month period ended March 31, 2017

(Unit : Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Notes	2017	2016	2017	2016
Revenue					
Revenue from sales		203,378	783,891	239,324	680,778
Other incomes		4,709	4,091	12,322	11,847
Total revenues		208,087	787,982	251,646	692,625
Expenses					
Cost of sales	7	204,973	716,900	218,163	611,160
Selling expenses		658	1,529	177	271
Administrative expenses		19,888	18,162	17,065	14,929
Doubtful accounts		241,797	-	210,057	-
Directors and Management's benefit expenses	4.3	2,805	2,647	2,805	2,647
Finance cost		42,472	42,918	42,457	42,916
Total expenses		512,593	782,156	490,724	671,923
Profit (loss) before share of loss on investment in associate and income tax		(304,506)	5,826	(239,078)	20,702
Share of loss on investment in associate		(2,827)	(2,243)	-	-
Profit (loss) before income tax		(307,333)	3,583	(239,078)	20,702
Income tax revenue	22	2,346	1,427	-	-
Profit (loss) for the period		(304,987)	5,010	(239,078)	20,702
Other comprehensive income		-	-	-	-
Total comprehensive income (loss) for the period		(304,987)	5,010	(239,078)	20,702
Profit (loss) for the period attributable to :					
Equity holders of the Company		(278,222)	11,872	(239,078)	20,702
Non-controlling interests of the subsidiaries		(26,765)	(6,862)	-	-
		(304,987)	5,010	(239,078)	20,702
Total comprehensive income (loss) attributable to :					
Equity holders of the Company		(278,222)	11,872	(239,078)	20,702
Non-controlling interests of the subsidiaries		(26,765)	(6,862)	-	-
		(304,987)	5,010	(239,078)	20,702
Basic earnings (loss) per share					
Equity holders of the Company (Unit : Baht)	23	(0.089)	0.005	(0.077)	0.009

Unaudited

Limited review only

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

RICH ASIA CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the three-month period ended March 31, 2017

(Unit : Thousand Baht)

	Other component of shareholders' equity							
	Other changes resulting from shareholders							
	Issued and paid-up share capital	Discount on share capital	Deficit	Surplus from change in equity interest in subsidiary company	Total other component shareholders' equity	Total shareholders' equity of the Company	Non-controlling interests	Total shareholders' equity
Balance as at January 1, 2016	2,400,000	(562,135)	(1,033,968)	73,721	73,721	877,618	235,527	1,113,145
Profit (loss) for the period	-	-	11,872	-	-	11,872	(6,862)	5,010
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income (loss) for the period	-	-	11,872	-	-	11,872	(6,862)	5,010
Increase on non-controlling interests	-	-	-	-	-	-	975	975
Discount from changed in shareholding in the subsidiary	-	-	-	(32)	(32)	(32)	32	-
Ending balance as at March 31, 2016	2,400,000	(562,135)	(1,022,096)	73,689	73,689	889,458	229,672	1,119,130
Balance as at January 1, 2017	3,115,268	(1,062,823)	(2,180,053)	73,689	73,689	(53,919)	179,848	125,929
Loss for the period	-	-	(278,222)	-	-	(278,222)	(26,765)	(304,987)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive loss for the period	-	-	(278,222)	-	-	(278,222)	(26,765)	(304,987)
Ending balance as at March 31, 2017	3,115,268	(1,062,823)	(2,458,275)	73,689	73,689	(332,141)	153,083	(179,058)

Unaudited

Limited review only

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

RICH ASIA CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES
SEPARATE STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the three-month period ended March 31, 2017

(Unit : Thousand Baht)

	Issued and paid-up share capital	Discount on share capital	Deficit	Total
Balance as at January 1, 2016	2,400,000	(562,135)	(856,184)	981,681
Profit for the period	-	-	20,702	20,702
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	20,702	20,702
Ending balance as at March 31, 2016	2,400,000	(562,135)	(835,482)	1,002,383
Balance as at January 1, 2017	3,115,268	(1,062,823)	(1,994,407)	58,038
Loss for the period	-	-	(239,078)	(239,078)
Other comprehensive income	-	-	-	-
Total comprehensive loss for the period	-	-	(239,078)	(239,078)
Ending balance as at March 31, 2017	3,115,268	(1,062,823)	(2,233,485)	(181,040)

Unaudited

Limited review only

RICH ASIA CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

For the three-month period ended March 31, 2017

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from operating activities				
Profit (loss) before income tax	(307,333)	3,583	(239,078)	20,702
Adjustments to reconcile profit (loss) before income tax for cash received (paid) from operation				
Depreciation	16,580	18,181	2,108	2,141
Depreciation for investment property	227	229	227	229
Doubtful accounts	241,797	-	210,057	-
Loss from declining in value of inventories (reversal)	2,339	(1,232)	682	(2,116)
Share of loss on investment in associates	2,827	2,354	-	-
Unrealized gain on exchange rate	(3,571)	(11,912)	(3,571)	(11,912)
Gain from disposed and written-off assets	-	(12)	-	(12)
Employee benefits expense	114	16	57	7
Interest income	(499)	(18)	(8,165)	(7,746)
Interest expenses	42,445	42,893	42,445	42,897
Interest expenses of employee benefits	27	9	12	3
Profit (loss) from operation before changes in operating assets and liabilities	(5,047)	54,091	4,774	44,193
Operating assets (increase) decrease				
Trade and other receivable	33,093	184,038	1,493	169,488
Inventories	(243,890)	(179,373)	(155,956)	(198,633)
Advance payment for goods	202,888	(1,998)	171,151	35,329
Other non-current assets	14	8	6	-
Operating liabilities increase (decrease)				
Trade and other payable	36,918	3,749	(28,952)	2,838
Advance received for goods	(365)	-	(6,281)	-
Cash received (paid) from operation	23,611	60,515	(13,765)	53,215
Cash paid for income tax	(15)	(101)	(11)	(101)
Net cash received from (used in) operating activities	23,596	60,414	(13,776)	53,114

Unaudited

Limited review only

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

RICH ASIA CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS

For the three-month period ended March 31, 2017

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2017	2016	2017	2016
Cash flows from investing activities				
Increase in bank deposits pledged as collateral	(16)	(19)	(4)	(4)
Cash received from interest	182	19	170	7,753
Cash payment for purchase of investment in subsidiary	-	-	-	(20,025)
Cash payment for purchase of property, plant and equipment	(361)	(119)	-	(114)
Cash received from sale of property, plant and equipment	-	15	-	15
Net cash received from (used in) investing activities	(195)	(104)	166	(12,375)
Cash flows from financing activities				
Increase (decrease) in short-term loans from financial institutions	(4,000)	4,000	(4,000)	4,000
Cash received from short-term loans from other persons and parties	-	9,643	-	9,643
Cash payment for short-term loans from other persons and parties	(10,000)	-	(10,000)	-
Cash received from short-term loans from related parties	-	-	-	19,000
Cash payment for debt under restructuring agreement	-	(491,000)	-	(491,000)
Cash paid for interest expenses	(20,254)	(97,242)	(20,254)	(97,242)
Cash received from increase on non-controlling interests	-	975	-	-
Net cash used in financing activities	(34,254)	(573,624)	(34,254)	(555,599)
Cash and cash equivalent items decrease-net	(10,853)	(513,314)	(47,864)	(514,860)
Cash and cash equivalent items at the beginning of the period	181,863	526,460	179,560	525,350
Cash and cash equivalent items at the end of the period	171,010	13,146	131,696	10,490
1. Supplementary disclosure of cash flow information - non cash item				
- Purchase fixed assets by credit	69	240	69	40
2. Cash and cash equivalent items consisted of :-				
- Cash	115	97	80	65
- Cheque on hand	-	1,250	-	-
- Banks, savings and current accounts	170,895	11,799	131,616	10,425
Total	171,010	13,146	131,696	10,490

Unaudited

Limited review only

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

RICH ASIA CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

NOTES TO FINANCIAL STATEMENTS

For the three-month period ended March 31, 2017

(UNAUDITED/LIMITED REVIEW ONLY)

1. General information

RICH ASIA CORPORATION PUBLIC COMPANY LIMITED (The Company) was registered as a 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”) operate in the business of production and 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, and service of water supply and other utilities.

2. Basis of interim financial statements preparation and accounting policies

2.1 Going concern

The Group and the Company incurred a net loss for the three-months period ended March 31, 2017 in the consolidated financial statement amount of Baht 304.99 million and in the separate financial statement amount of Baht 239.08 million respectively and as at March 31, 2017 the Group and the Company had current liabilities exceeded current assets by Baht 1,015.20 million and Baht 751.75 million and total liabilities exceeded total assets by Baht 179.06 million and Baht 181.04 million respectively. However, the Board of Directors’ meeting No. 4/2017 has the resolution to enter debt restructuring under the rehabilitation through the Bankruptcy Court and has approved the Company to submit rehabilitation petition on March 6, 2017 and approved the Company to be Rehabilitation Planner, of which, the Company has already submitted rehabilitation petition and the Central Bankruptcy Court has already accepted such petition. The Court has scheduled to investigate the petition on May 29, 2017. These conditions, along with other matters as set forth in note to financial statements No. 14, 16, 17, 18 and 25 indicate the existence of a material uncertainty that may cast significant doubt about the Group and the Company’s ability to continue as a going concern and therefore the Company may be unable to realize its assets and discharge its liabilities in the normal course of business

The consolidated and separate financial statements have been prepared on the going concern basis on the assumption that the business rehabilitation will be successful and such further capital and credit facilities will be secured to the extent that the Group's and the Company's operations require. The validity of this assumption is, however, dependent on the success of the business rehabilitation plan. No other adjustments to the classification or carrying value of assets and liabilities have been made in the consolidated and separate financial statements should the Group and the Company not be able to continue as going concerns. If the Group and the Company were unable to continue as going concerns, the realizable value of assets may be significantly less than their current carrying value and additional liabilities may be incurred.

- 2.2 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.
- 2.3 The interim financial statements are prepared in the condensed format and in accordance with Thai Accounting Standard No. 34 (Revised 2016) "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.
- 2.4 The interim financial statements are prepared to provide an update on the financial statements for the year ended December 31, 2016. 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, 2016.
- 2.5 The interim financial statements are presented in Thai Baht, rounded to the nearest thousand baht unless otherwise stated.
- 2.6 Using of the significant accounting policies and the calculation method of the Group in the preparation of the interim financial statements for the three-month period ended March 31, 2017 are consistent with those used in the annual financial statements for the year ended December 31, 2016.

2.7 New financial reporting standards

During the period, the Group 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 1 January 2017. 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.

3. Principles of interim consolidation financial statements

The interim consolidated financial statements for the three-month period ended March 31, 2017 have been prepared by including the financial statements of RICH ASIA CORPORATION PUBLIC COMPANY LIMITED and its subsidiaries ("The Group") 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>2017</u>	<u>2016</u>
Rich Asia 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	95.00	95.00
Rich Asia Utilities Co., Ltd.	Service of water supply and other utilities	Thai	99.99	99.99

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 person or related companies with common shareholders group and mutual directors and management. The material inter-transaction items and outstanding balance with the subsidiary and related person or related companies could be summarized as follows:-

4.1 Inter-assets and liabilities

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>March 31, 2017</u>	<u>December 31, 2016</u>	<u>March 31, 2017</u>	<u>December 31, 2016</u>
<u>Trade and other receivable</u>				
Rich Asia Industry Co., Ltd.	-	-	30,582	7,934
Rich Asia Engineering Co., Ltd.	-	-	20	20
Total	-	-	30,602	7,954
<u>Less</u> Allowance for doubtful debt	-	-	(5,296)	(5,296)
Trade and other receivable-Net	-	-	25,306	2,658
<u>Advance payments for goods</u>				
Rich Asia Industry Co., Ltd.	-	-	35,514	3,271
Total	-	-	35,514	3,271
<u>Short-term loans to related parties</u>				
Rich Asia Industry Co., Ltd.				
Beginning balance	-	-	389,200	389,200
Addition	-	-	-	-
Repayment	-	-	-	-
Ending balance	-	-	389,200	389,200

As at March 31, 2017 and December 31, 2016, the Company had short-term loans to subsidiary company is carried by interest rate of 8.00% per annum for both periods. Which due at December 16, 2017.

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>March 31, 2017</u>	<u>December 31, 2016</u>	<u>March 31, 2017</u>	<u>December 31, 2016</u>
<u>Trade and other payable</u>				
Rich Asia Industry Co., Ltd.	-	-	60,609	6,282
G.T. Steel Works Co., Ltd.	11,747	11,747	11,747	11,747
Director	636	628	37	29
Total	12,383	12,375	72,393	18,058

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>March 31, 2017</u>	<u>December 31, 2016</u>	<u>March 31, 2017</u>	<u>December 31, 2016</u>
<u>Short-term loans from related parties</u>				
Rich Asia Engineering Co., Ltd.				
Beginning balance	-	-	-	-
Addition	-	-	-	23,000
Repayment	-	-	-	(23,000)
Ending balance	-	-	-	-

As at December 31, 2016, short-term loans from subsidiary company is carried by interest rate of 1.00%-1.15% per annum.

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 March 31,</u>			
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Transactions with related person and related companies</u>				
Revenues from sales of goods	-	2,821	-	2,821
Purchase of goods	-	73	-	73
Other expenses	79	88	79	88
<u>Transactions with subsidiary companies</u>				
(Eliminated from consolidated financial statements)				
Revenues from sale of goods	-	-	58,319	-
Revenues from sales of raw materials	-	-	37,311	97,208
Other income	-	-	60	62
Interest income	-	-	7,677	7,741
Purchase of goods	-	-	86,939	-
Other expenses	-	-	-	150
Interest expenses	-	-	-	4

4.3 Directors and management's benefit expenses

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>for the three-month period ended March 31,</u>			
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Short-term employee benefits	2,783	2,645	2,783	2,645
Post-employment benefits	22	2	22	2
Total	2,805	2,647	2,805	2,647

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	Cost price/Contract price
Purchases of goods	Price can be comparative against outside parties
Other expenses	Actual price/Contract price
Interest income	Interest rate 8.00% per annum (2016 : 8.00% per annum)
Interest expenses	Interest rate 1.00%-1.15% per annum

The Company's director has guaranteed the Company's credit facilities from financial institution as mention in the notes to financial statement No. 13. No fees are charged for these guarantees.

4.5 Types of relationship of related parties are as follows:

<u>Name of Companies/Persons</u>	<u>Type of business</u>	<u>Type of relationship</u>
Rich Asia 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
Rich Asia Utilities Co., Ltd.	Service of water supply and other utilities	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
Ms. Angkakarn Tantiviroon		Chief Executive Officer Director
Mr. Somkiat Vongsarojana		Managing Director
Mr. Teera Phoncharoensuk		Director

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>March 31, 2017</u>	<u>December 31, 2016</u>	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Trade receivable-related parties	-	-	14,971	-
Trade receivable-other parties	1,970,861	2,018,113	1,801,206	1,827,666
Post dated cheques-other parties	27,361	12,930	27,361	12,930
Total Trade receivable	1,998,222	2,031,043	1,843,538	1,840,596
<u>Less</u> Allowance for doubtful accounts	(983,326)	(741,529)	(909,279)	(699,222)
Total Trade receivable-net	1,014,896	1,289,514	934,259	1,141,374
Other receivable-related parties	-	-	15,631	7,954
Other receivable-other parties	297	3,376	31	3,318
Revenue department receivable	11,846	9,980	7,903	9,975
Others	4,232	2,959	4,179	2,926
Total Other receivable	16,375	16,315	27,744	24,173
<u>Less</u> Allowance for doubtful accounts	-	-	(5,296)	(5,296)
Total Other receivables-net	16,375	16,315	22,448	18,877
Total Trade and other receivable	1,031,271	1,305,829	956,707	1,160,251

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>March 31, 2017</u>	<u>December 31, 2016</u>	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Within credit term	-	-	-	-
Over due 1 to 90 days	-	-	14,971	-
Total	-	-	14,971	-

The normal credit term granted by the Group 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>March 31, 2017</u>	<u>December 31, 2016</u>	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Within credit term	48,211	492,402	48,196	445,091
Over due 1 to 90 days	464,942	783,083	428,022	703,427
Over due 91 to 180 days	736,321	543,190	667,081	479,710
Over due 181 to 365 days	742,798	203,438	679,318	203,438
Over due over 1 year	5,950	8,930	5,950	8,930
Total	1,998,222	2,031,043	1,828,567	1,840,596
<u>Less</u> Allowance for doubtful debts	(983,326)	(741,529)	(909,279)	(699,222)
Net	1,014,896	1,289,514	919,288	1,141,374

The normal credit term granted by the Group is approximately from 7-120 days.

The movement of allowance for doubtful debts-trade receivable for the three-month period ended March 31, 2017 and 2016, are as follow:-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the three-month period ended March 31,</u>			
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Beginning balance	(741,529)	-	(699,222)	-
Increase during the period	(241,797)	-	(210,057)	-
Ending balance	(983,326)	-	(909,279)	-

As at December 31, 2016, the consolidated and separate financial statement, the Company factored some post dated cheques in the amount of Baht 4.00 million to discount with the financial institution as mention in the note to financial statements No. 14. The Company still have to take responsibility in the post dated cheques if financial institution cannot collect debt repayment from such notes receivable.

6. Short-term loans to other person

As of March 31, 2017 and December 31, 2016, the whole amount of short-term loans to other person derived from the deposit for investment to short-term loan in the form of loans agreements with 1 year and interest rates of 6.50% per annum. The borrower has pledged Yala Green Energy Company Limited's common stock of 1,144,950 shares and a post dated cheques amount of Baht 30.00 million as collaterals.

7. 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>March 31, 2017</u>	<u>December 31, 2016</u>	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Finished goods	277,234	85,723	203,391	47,305
Work in process	5,676	2	-	-
Raw materials	81,130	33,681	31,250	31,250
Supplies	4,664	4,902	1,474	1,604
Total	368,704	124,308	236,115	80,159
<u>Less</u> Allowance for declining in value of inventories	(9,897)	(7,558)	(1,268)	(1,130)
Net	358,807	116,750	234,847	79,029

A movement of allowance for declining in value of inventories for the three-month period ended March 31, 2017 and 2016, are as follow:-

	(Unit : Thousand Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the three-month period ended March 31,</u>			
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Beginning balance	(7,558)	(8,863)	(1,130)	(3,265)
Increase during the period (reversal)	(2,339)	1,488	(138)	447
Ending balance	(9,897)	(7,375)	(1,268)	(2,818)

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the three-month period ended March 31,</u>			
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Cost of inventory record as expense and include in the cost of goods sold				
- Cost of goods sold	202,634	718,132	217,481	613,276
- Loss from allowance for declining in value of inventories (reversal)	2,339	(1,488)	138	(447)
- Loss from allowance for declining in value of advance payment for goods (reversal)	-	256	544	(1,669)
Total	204,973	716,900	218,163	611,160

8. 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>March 31, 2017</u>	<u>December 31, 2016</u>	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Advance payments for goods-related parties	-	-	35,514	3,271
Advance payments for goods-other parties	364,892	568,286	364,892	568,286
Total	364,892	568,286	400,406	571,557
<u>Less</u> Allowance for decline in value of inventories	-	-	(544)	-
Allowance for doubtful accounts	(364,892)	(364,892)	(364,892)	(364,892)
Net	-	203,394	34,970	206,665

For the three-month period ended March 31, 2017 and 2016, no movement of allowance for doubtful debts-advance payment for goods.

A movement of allowance for declining in value of inventories for the three-month period ended March 31, 2017 and 2016, are as follow:-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the three-month period ended March 31,</u>			
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Beginning balance	-	(1,938)	-	(1,938)
Increase during the period (reversal)	-	(256)	(544)	1,669
Ending balance	-	(2,194)	(544)	(269)

9. Investment in subsidiaries

Consisted of:-

(Unit : Thousand Baht)

<u>Name of companies</u>	<u>Paid-up</u>		<u>Percentage of</u>		<u>Investment</u>		<u>Dividend For the</u>	
	<u>share capital</u>		<u>Shareholding(%)</u>		<u>cost method</u>		<u>three-month period</u>	
					<u>As at</u>		<u>ended March 31,</u>	
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>	<u>March 31, 2017</u>	<u>December 31, 2016</u>	<u>2017</u>	<u>2016</u>
Rich Asia Industry Co., Ltd.	441,701	441,701	51.88	51.88	536,062	536,062	-	-
Rich Asia Engineering Co., Ltd.	20,750	20,750	95.00	95.00	19,675	19,675	-	-
Rich Asia Utilities Co., Ltd.	1,250	1,250	99.99	99.99	1,250	1,250	-	-
Total					556,987	556,987		
<u>Less</u> Allowance for impairment loss					(251,913)	(251,913)		
Net					305,074	305,074		

10. Investment in associate

Consisted of:-

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>				<u>Separate financial statements</u>	
					<u>Investment</u>	
					<u>cost method</u>	
					<u>As at</u>	<u>As at</u>
<u>Name of companies</u>	<u>March 31, 2017</u>	<u>December 31, 2016</u>	<u>March 31, 2017</u>	<u>December 31, 2016</u>	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Thai National Product Co., Ltd.	29.89	29.89	174,533	177,360	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)

As at

	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Current assets	224,910	218,025
Non-current assets	320,182	319,037
Total assets	545,092	537,062
Current liabilities	(152,391)	(144,902)
Non-current liabilities	(6,187)	(6,222)
Total liabilities	(158,578)	(151,124)
Net assets	386,514	385,938

(Unit : Thousand Baht)

For three-month period ended March 31,

	<u>2017</u>	<u>2016</u>
Revenue	64,494	61,699
Profit for the period	576	1,706
Other comprehensive income for the period	-	-
Comprehensive loss for the period	576	1,706
Dividend received from associate for the period	-	-

Reconciliation of financial based on the above information the carrying amount of the equity of the Thai National Product Co., Ltd., recognize them gradually in the consolidated financial statements.

(Unit : Thousand Baht)

	<u>As at</u>	
	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Net assets of the associate	386,514	385,938
Shareholding of the company (%)	29.89	29.89
	115,529	115,357
Adjustment the fair value as at acquisition date	59,004	62,003
Book value of the Company in associate	174,533	177,360

As at March 31, 2017 and December 31, 2016, the Company has pledge its shares of investment in associate 4,346,666 shares and 4,681,666 shares, equivalent to 16.04% and 17.28% of shareholdings respectively as collateral of short-term loan from other parties as mention in the notes to financial statements No. 16.

11. Investment property

The movements of investment property for the three-month period ended March 31, 2017 is as follows:-

	(Unit : Thousand Baht)
	<u>Consolidated/Separate financial statement</u>
Book value at the beginning of the period	7,926
Depreciation for the period	(227)
Book value at the end of the period	7,699

As at March 31, 2017 and December 31, 2016, the consolidated and separate financial statements, the whole amount of investment property are pledged for loans granted by financial institutions as mention in the notes to financial statements No. 13.

12. Property, plant and equipment

The movement of property, plant and equipment for the three-month period ended March 31, 2017 is as follows:-

	(Unit : Thousand Baht)	
	<u>Consolidated</u>	<u>Separate</u>
	<u>financial statements</u>	<u>financial statements</u>
Book value at the beginning of the period	752,415	60,994
Purchase of assets	430	69
Depreciation for the period	(16,580)	(2,108)
Book value at the end of the period	736,265	58,955

As at March 31, 2017 and December 31, 2016, The Group has pledged the part of land, property and machinery with the book value stated in the consolidated and separate financial statements of Baht 55.31 million and Baht 56.65 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.

As at March 31, 2017 and December 31, 2016, in the consolidated financial statements the Group had the assets which had not the depreciation but they still used. The cost price was Baht 134.24 million, the book value was Baht 2,656.23 and the cost price was Baht 133.72 million, the book value was Baht 2,631 respectively.

As at March 31, 2017 and December 31, 2016, in the separate financial statements the Company had the assets which had not the depreciation but they still used. The cost price was Baht 51.94 million, the book value was Baht 630.01 and the cost price was Baht 51.52 million, the book value was Baht 622.01 respectively.

13. Credit facilities and guarantee

The Company has credit line from commercial bank and several financial institutions in form overdraft, trust receipts, short-term and long-term loan, the letter of guarantee, note receivable discount and factoring by granted the total credit line as at March 31, 2017 and December 31, 2016, in amount of Baht 1,172.85 million for both periods, it is pledged by the Company's mortgage of land and buildings and certain machinery of the Company, according to the note to financial statement No.11 and 12, some land and buildings of other company, land and buildings of director of the Company, notes receivable, a part of deposit at bank of the Company and subsidiary, including guaranteed by 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>March 31, 2017</u>	<u>December 31, 2016</u>
Discount post dated cheques	-	4,000
Promissory notes	16,000	16,000
Total	<u>16,000</u>	<u>20,000</u>

As at March 31, 2017 and December 31, 2016, loan from discount post dated cheques, and promissory note are carried by interest rates of 6.25% per annum for both periods.

In quarter 1/2017 the Company has short term loan which due for repayment in amount of Baht 6.00 million and after the reporting period has due for repayment in amount of Baht 10.00 million, which has default interest rate at 15.00% per annum. The Company has defaulted for all repayment. However, the Board of Directors' meeting No. 4/2017 has the resolution to enter debt restructuring under the rehabilitation through the Court as mention in note to financial statement No. 2.1.

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>March 31, 2017</u>	<u>December 31, 2016</u>	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Trade payable-related parties	8,647	8,647	69,256	8,647
Trade payable-other parties	261,491	225,759	132,193	222,551
Other payable-related parties	3,137	3,129	3,137	3,129
Other payable-other parties	5,934	8,582	3,140	6,132
Advance received for goods-related parties	-	-	-	6,282
Advance received for goods-other parties	7,142	7,506	7,142	7,142
Accrued expenses-related parties	599	599	-	-
Accrued expenses-other parties	27,366	21,484	22,382	16,510
Post dated cheques-other parties	58	25	-	-
Others	30	30	30	30
Total	314,404	275,761	237,280	270,423

16. Short-term loans from other persons and parties

Consisted of:-

	(Unit : Thousand Baht)	
	<u>Consolidated/Separate financial statements</u>	
	<u>As at</u>	
	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Short-term loans from other persons and parties	125,000	135,000
Deferred Interest Expenses	(80)	(1,219)
Deferred charge	(15)	(299)
Net	124,905	133,482

As at March 31, 2017 and December 31, 2016, the whole amount was 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 6-9 months with financial cost equivalent to interest rate at 7.50% per annum for both periods. Such loan has shares of associate pledged as collateral according to the note to financial statements No. 10.

In quarter 1/2017 the Company has short term loan which due for repayment in amount of Baht 105.00 million and after the reporting period has due for repayment in amount of Baht 20.00 million, which has default interest rate at 15.00% per annum The Company has defaulted for all repayment. However, the Board of Directors' meeting No. 4/2017 has the resolution to enter debt restructuring under the rehabilitation through the Court as mention in note to financial statement No. 2.1.

17. Debentures

As at March 31, 2017 and December 31, 2016, the Company had issued unsubordinated and unsecured debentures, payable quarterly, totaling Baht 1,230 million as follows:-

(Unit : Thousand Baht)

<u>Consolidated/Separate financial statements</u>					
<u>As at</u>					
<u>Debentures No.</u>	<u>March 31, 2017</u>	<u>December 31, 2016</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Maturity Date</u>
1/2015	500,000	500,000	6.50%	1 year 9 months	30 Jan 2017
2/2015	500,000	500,000	6.50%	2 years	16 Jul 2017
3/2015	230,000	230,000	6.20%	1year 11 months 29 days	27 Oct 2017
Total	1,230,000	1,230,000			
Deferred consulting fee	(1,387)	(2,513)			
Deferred service fee	(1,398)	(2,534)			
Deferred charge	(22)	(36)			
Net	1,227,193	1,224,917			

On January 11, 2017 the Company received a notice from the bank creditor informing of default payments of liability under debt restructure agreement as mention in note to financial statements No. 18 and called The Company to repay the principal and accrued interest within 15 days from the date of receipt of the notice (which on January 26, 2017). Consequently, the impact of the aforementioned call repayment of all outstanding debts, has resulted a cross default to all outstanding debentures according to the right terms of debentures which has default interest rate at 8.20-8.50 % per annum.

However, the Debenture Holder's Meeting of No. 1/2017 held on February 7, 2016 has resolution to approve the Debenture No. 1/2015 amount of Baht 500 million and Debentures No. 2/2015 amount of Baht 500 million which is total outstanding of Baht 1,000 million, has been immediately due for payment. The Company is required to immediately pay all principal amounts of the Debentures No. 1/2015 and No. 2/2015 with interest calculated from the date of default to the Debenture Holders. For the Debentures No. 3/2015 amount of Baht 230 million, is not immediately due, the Company will comply with the Right Terms and Condition of Debentures Issuer and Debentures Holder until maturity. Later, the Board of Directors' meeting No. 4/2017 has the resolution to enter debt restructuring under the rehabilitation through the Court as mention in note to financial statement No. 2.1.

18. Liabilities under debt restructuring agreement

Consisted of:-

	(Unit : Thousand Baht)	
	<u>Consolidated/Separate financial statements</u>	
	<u>As at</u>	
	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Principal amount	537,746	537,746
Accrued interest expenses	132,875	119,975
Accrued interest pending for waiving	253,167	253,167
Total	<u>923,788</u>	<u>910,888</u>

The movements of liabilities under debt restructuring agreement for the three-month period ended March 31, 2017, is as follow:-

	(Unit : Thousand Baht)
	<u>Consolidated/Separate financial statements</u>
Book value at the beginning of the period	910,888
Suspend accrued interest for the period	<u>12,900</u>
Book value at the end of the period	<u>923,788</u>

The consolidated and separate financial statements, liabilities under debt restructuring agreement derived from the debt restructuring contract dated on May 30, 2014. In the quarter 1/2016 of the year 2016, the Company and creditor together agreed and signed the new agreement of debt restructure dated March 30, 2016, to adjust the repayment terms and a partial release of collateral. The contract has classified the debt to 4 tranches and details of new repayment term as following:-

1. The Company must pay to creditor at least Baht 560.00 million, which the repayment amount to deduct the principal and accrued interest of each tranches are as follows:-

(Unit : Thousand Baht)

<u>Tranche</u>	<u>Credit Lines</u>	<u>Principals</u>	<u>Accrued interests</u>	<u>Total</u>
1	Baht 400 million	176,760	24,840	201,600
2	Baht 275 million	132,570	18,630	151,200
3	Baht 250 million	88,380	12,420	100,800
4	Baht 200 million	93,290	13,110	106,400
	Total	491,000	69,000	560,000

In the quarter 1/2016, the Company repayment above then proceed to redeem the mortgaged land, buildings and machinery of associate and obligations guaranteed by the associate.

2. The remaining principal repayment in monthly installments including 96 months (8 years) or the maturity date of March 31, 2024 began the first payment date of April 30, 2016, as detailed below:-
 - First tranche : The credit line of Baht 400.00 million, as at March 31, 2017, remaining balance amount of Baht 338.91 million comprise principal amount of Baht 195.60 million, accrued interest amount of Baht 53.72 million and accrued interest pending for waiving amount of Baht 89.59 million (December 31, 2016 : remaining balance amount of Baht 334.34 million comprise principal amount of Baht 195.60 million, accrued interest amount of Baht 49.15 million and accrued interest pending for waiving amount of Baht 89.59 million), with interest rate at SPRL+1.00% per annum.
 - Second tranche : The credit line of Baht 275.00 million, as at March 31, 2017, remaining balance amount of Baht 258.31 million comprise principal amount of Baht 141.00 million, accrued interest amount of Baht 42.83 million and accrued interest pending for waiving amount of Baht 74.48 million (December 31, 2016 : remaining balance amount of Baht 254.85 million comprise principal amount of Baht 141.00 million, accrued interest amount of Baht 39.37 million and accrued interest pending for waiving amount of Baht 74.48 million), with interest rate at SPR+1.25% per annum.

- Third tranche : The credit line of Baht 250.00 million, as at March 31, 2017, remaining balance amount of Baht 145.70 million comprise principal amount of Baht 99.46 million, accrued interest amount of Baht 5.57 million and accrued interest pending for waiving amount of Baht 40.67 million (December 31, 2016 : remaining balance amount of Baht 143.26 million comprise principal amount of Baht 99.46 million, accrued interest amount of Baht 3.13 million and accrued interest pending for waiving amount of Baht 40.67 million), with interest rate at SPR+1.25% per annum.
- Fourth tranche : The credit line of Baht 200.00 million, as at March 31, 2017, remaining balance amount of Baht 180.87 million comprise principal amount of Baht 101.68 million, accrued interest amount of Baht 30.76 million and accrued interest pending for waiving amount of Baht 48.43 million (December 31, 2016 : remaining balance amount of Baht 178.44 million comprise principal amount of Baht 101.68 million, accrued interest amount of Baht 28.33 million and accrued interest pending for waiving amount of Baht 48.43 million), with interest rate at SPR+1.00% per annum.

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>	<u>Total</u>
Periods 1-12 (Apr 16-Mar 17)	1.665	1.17	0.81	0.855	4.50
Periods 13-24 (Apr 17-Mar 18)	1.850	1.30	0.90	0.950	5.00
Periods 25-36 (Apr 18-Mar 19)	2.220	1.56	1.08	1.140	6.00
Periods 37-48 (Apr 19-Mar 20)	2.405	1.69	1.17	1.235	6.50
Periods 49-60 (Apr 20-Mar 21)	3.145	2.21	1.53	1.615	8.50
Periods 61-72 (Apr 21-Mar 22)	3.330	2.34	1.62	1.710	9.00
Periods 73-84 (Apr 22-Mar 23)	4.070	2.86	1.98	2.090	11.00
Periods 85-95 (Apr 23-Feb 24)	4.995	3.51	2.43	2.565	13.50
Periods 96 (Mar 24)	Outstanding				

If the Company can perform the terms of the debt restructuring, the creditors willing to compromise forgiven accrued interest pending for waiving of all group amount of Baht 253.17 million.

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

In the October 2016, the Company did not completely repay the debt in accordance with debt restructuring agreement which has default interest rate at 21.00% per annum. On January 11, 2017 the Company received a notice from the bank creditor informing of default payments of liability under debt restructure and called The Company to repay the principal and accrued interest within 15 days from the date of receipt of the notice (which on January 26, 2017). The Company has classified the whole amount of liability under debt restructuring agreement to current liabilities caption. However, the Board of Directors' meeting No. 4/2017 has the resolution to enter debt restructuring under the rehabilitation through the Court as mention in note to financial statement No. 2.1.

19. Employee benefit obligations

Changes in the present value of the employee benefit obligations is as follow:-

	(Unit : Thousand Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>March 31, 2017</u>	<u>December 31, 2016</u>	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Employee benefit obligations at the beginning of the period	3,289	1,763	1,604	1,229
Current service cost	114	69	57	30
Interest cost	27	38	12	12
Actuarial losses arising from defined benefit plan	-	1,419	-	333
Employee benefit obligations at the end of the period	3,430	3,289	1,673	1,604

Expenses recognized in statements of comprehensive income as follows:-

	(Unit : Thousand Baht)			
	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the three-month period ended March 31,</u>			
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
<u>Recognized in profit or loss</u>				
Cost of goods sold	39	6	-	-
Selling expenses	2	1	1	-
Administrative expenses	51	7	34	5
Management benefits expense	22	2	22	2
Finance cost	27	9	12	3
Total	141	25	69	10

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

	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>
	(%)	(%)
Discount rate	1.68-3.48	1.68-2.68
Salary increase rate	1.93-3.10	1.93-2.26
Employee turnover rate	0-54	17-47
Mortality rate (Thai Mortality Ordinary Table 2008)	100 of mortality	100 of mortality
Disability rate	10 of mortality	10 of mortality

20. Deferred tax liabilities

Deferred tax liabilities as at March 31, 2017 and December 31, 2016, were as follows:-

	(Unit : Thousand Baht)	
	<u>Consolidated financial statement</u>	
	<u>As at</u>	
	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Deferred tax assets	-	-
Deferred tax liabilities	(85,613)	(87,959)
Net	(85,613)	(87,959)

The movement of deferred tax liabilities for the three-month period ended March 31, 2017, was 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, 2017</u>	<u>of comprehensive income</u>	<u>March 31, 2017</u>
	<u>(Note 22)</u>		
Deferred tax liabilities			
Property, plant and equipment	(87,959)	2,346	(85,613)
Total	(87,959)	2,346	(85,613)

As at March 31, 2017 and December 31, 2016, the Group had temporary differences mainly arising from the unutilized tax losses carry forward and allowance for doubtful accounts in consolidated financial statement totaling Baht 2,084.61 million and Baht 1,887.94 million respectively and separate financial statement totaling Baht 1,917.65 million and Baht 1,692.30 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. Warrants

Type of warrants	:	Warrants No. 1 appropriated for the former shareholders of the Company (Warrants No. 1 or “RICH-W1”)
Number of warrants	:	357,634,117 units
Term of warrants	:	2 years from the issuance date. (Date of issuance is on December 16, 2016 and the Maturity Date is on December 14, 2018)
Exercise Price	:	At Baht 1.00 per share (par value at Baht 1.00)
First exercise date	:	December 15, 2017
Last exercise date	:	December 14, 2018
Outstanding unit as at March 31, 2017	:	357,634,117 units

22. Income tax revenues

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the three-month period ended March 31,</u>			
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Current income tax expense	-	-	-	-
Deferred tax expense (Note 20)				
Movements in temporary differences	(2,346)	(1,427)	-	-
Total	(2,346)	(1,427)	-	-

23. Basic earnings (loss) per share and diluted loss per share

Basic earnings (loss) per share is calculated by dividing earnings (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 March 31,</u>			
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
Earnings (loss) for the period (Unit : Thousand Baht)	(278,222)	11,872	(239,078)	20,702
The number of issued and paid-up ordinary shares				
(Unit : Thousand shares)	3,115,268	2,400,000	3,115,268	2,400,000
Basic earnings (loss) per share (Baht/share)	(0.089)	0.005	(0.077)	0.009

For the diluted loss per share is calculated by dividing the net loss for the period attributable to ordinary shareholders by the weighted average number of ordinary shares in issue and paid-up is adjusted to assume conversion of all dilutive potential ordinary shares, which is calculated by the weighted average number of ordinary shares which would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares. The assumed proceeds from the exercise of warrant would be considered to have been received from the issue of shares at fair value. The company has not show diluted loss per share for the three month period ended March 31, 2017, because the average fair price of the ordinary share, is lower than the exercise price of the warrant.

24. 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 the Group 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

For the three-month period ended March 31, 2017 and 2016, the Group has only one major geographic segment is a produce and distribution of steel product business.

Geographic segments

Management considers that the Group 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 March 31, 2017, revenues from 3 customer of the produce and distribution of steel product business segment represent approximately Baht 179.98 million of the Group total revenues. (2016 : revenues from 3 customer of the produce and distribution of steel product business segment represent approximately Baht 399.16 million.)

25. Obligations and contingent liabilities

Certain liabilities shown on the financial statements, the Group still remains contingent liabilities with commercial banks and third party as follows:-

25.1 The Group had bank of guarantee as follows:-

(Unit: Million Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>March 31,</u>	<u>December 31,</u>	<u>March 31,</u>	<u>December 31,</u>
	<u>2017</u>	<u>2016</u>	<u>2017</u>	<u>2016</u>
- Bank guarantee which has bank deposit of				
the Group pledge for collateral	3.50	3.50	1.85	1.85

25.2 Litigation

As at March 31, 2017 and December 31, 2016, 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. Currently the Company has already paid the whole amount of principle debt. The remaining interest expenses of Baht 0.84 million, the Company has negotiated with creditor to reduce debt

As at March 31 2017, a lawsuit had been filed against the subsidiary regarding breach of the contract for work hiring which claiming in the amount Baht 1.63 million. The subsidiary submitted a filed against a lawsuit and outcome of the case has not been finalized. A lawsuit is in between considered of the court. However, the independent legal counselor of the subsidiary believes that eventually the subsidiary will win the cases and therefore the subsidiary has not recorded provision liability.

25.3 Tax assessment

During the quarter 1/2017, the Company received a value added tax assessment notice from the Revenue Department, covering the years 2012 through 2014, and assessing tax amounting to approximately Baht 202.13 million (including penalties and surcharges). The Company did not agree with the assessments and submitted a letter appealing the assessment to the Tax Appeal Committee of the Revenue Department on April 11, 2017 and the appeal is currently under consideration by the Committee. However, the management believe that the outcome of the case will be favorable to the Company and therefore, the Company has not recorded provision for the tax assessments in the accounts.

26. Exchange rate risks

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

<u>Consolidated/Separate financial statements</u>		
<u>As at</u>		
<u>Currency</u>	<u>March 31, 2017</u>	<u>December 31, 2016</u>
Million US Dollar	2.57	2.57

27. Approval of interim financial statements

These interim consolidated and separated financial statements were authorized for issue by the Company's board director on May 12, 2017.