

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, 2018 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 statements No. 2.1 the Group and the Company incurred a net loss for the three-month period ended March 31, 2018 in the consolidated financial statements amount of Baht 113.96 million and in the separate financial statements amount of Baht 96.74 million and as at March 31, 2018 the Group and the Company had current liabilities exceeded current assets by amount of Baht 2,177.86 million and amount of Baht 1,795.83 million and total liabilities exceeded total assets by amount of Baht 1,408.02 million and amount of Baht 1,363.28 million respectively. These conditions, along with other matters as set forth in note to financial statements No. 2.2, 15, 17, 18, 19 and 26 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.

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

(Mr. Naris Saowalagsakul)

Certified Public Accountant Registration No. 5369

Bangkok,

May 14, 2018

RICH ASIA CORPORATION PUBLIC COMPANY LIMITED AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION

As at March 31, 2018

(Unit : Thousand Baht)

		Consolidated financial statements		Separate financial statements	
		As at		As at	
	Notes	March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
		Unaudited	Audited	Unaudited	Audited
		Limited review only		Limited review only	
<u>Assets</u>					
Current assets					
Cash and cash equivalents items	5	59,593	128,562	402	126,673
Trade and other receivable	4.1 and 6	359,985	335,287	245,498	219,593
Short-term loans to related parties	4.1	-	-	530,442	391,600
Short-term loans to other person	7	-	-	-	-
Inventories	8	52,023	88,537	25,649	65,499
Advance payment for goods	4.1 and 9	31,798	451	64,020	67,336
Total current assets		503,399	552,837	866,011	870,701
Non-current assets					
Bank deposit pledged as collateral		3,660	3,833	1,936	1,931
Investment in subsidiaries	10	-	-	175,087	208,056
Investment in associate	11	163,667	165,876	198,478	198,478
Investment property	12	6,779	7,006	6,779	7,006
Property, plant and equipment	13	671,608	686,925	51,645	52,571
Other non-current assets		2,836	2,849	226	238
Total non-current assets		848,550	866,489	434,151	468,280
Total assets		1,351,949	1,419,326	1,300,162	1,338,981

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, 2018

(Unit : Thousand Baht)

	Notes	Consolidated financial statements		Separate financial statements	
		As at		As at	
		March 31, 2018	December 31, 2017	March 31, 2018	December 31, 2017
		Unaudited Limited review only	Audited	Unaudited Limited review only	Audited
<u>Liabilities and shareholders' equity</u>					
Current liabilities					
Short-term loans from financial institutions	15	16,000	16,000	16,000	16,000
Trade and other payable	4.1 and 16	326,484	293,275	307,068	265,165
Short-term loans from other persons and parties	17	125,000	125,000	125,000	125,000
Debentures	18	1,230,000	1,230,000	1,230,000	1,230,000
Liabilities under debt restructuring agreement	19	983,774	967,804	983,774	967,804
Total current liabilities		2,681,258	2,632,079	2,661,842	2,603,969
Non-current liabilities					
Employee benefit obligations	20	3,525	3,428	1,598	1,552
Deferred tax liabilities	21	75,190	77,884	-	-
Total non-current liabilities		78,715	81,312	1,598	1,552
Total liabilities		2,759,973	2,713,391	2,663,440	2,605,521
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		(3,582,960)	(3,498,144)	(3,415,723)	(3,318,985)
Other component of shareholders' equity		73,689	73,689	-	-
Total shareholders' equity of the Company		(1,456,826)	(1,372,010)	(1,363,278)	(1,266,540)
Non-controlling interests		48,802	77,945	-	-
Total shareholders' equity		(1,408,024)	(1,294,065)	(1,363,278)	(1,266,540)
Total liabilities and shareholder's equity		1,351,949	1,419,326	1,300,162	1,338,981

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, 2018

(Unit : Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Notes	2018	2017	2018	2017
Revenue					
Revenue from sales		84,931	203,378	78,556	239,324
Other incomes		1,072	4,709	192	12,322
Total revenues		86,003	208,087	78,748	251,646
Expenses					
Cost of sales	8	90,581	204,973	77,548	218,163
Selling expenses		1,050	658	903	177
Administrative expenses		25,383	19,888	18,199	17,065
Loss on impairment of investment in subsidiary		-	-	32,969	-
Doubtful accounts (reversal)	6 and 9	33,907	241,797	(3,662)	210,057
Directors and Management's benefits	4.3	2,718	2,805	2,718	2,805
Finance cost		46,827	42,472	46,811	42,457
Total expenses		200,466	512,593	175,486	490,724
Loss before share of loss on investment in associate and income tax		(114,463)	(304,506)	(96,738)	(239,078)
Share of loss on investment in associate		(2,190)	(2,827)	-	-
Loss before income tax		(116,653)	(307,333)	(96,738)	(239,078)
Income tax revenue	23	2,694	2,346	-	-
Loss for the period		(113,959)	(304,987)	(96,738)	(239,078)
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		(113,959)	(304,987)	(96,738)	(239,078)
Loss for the period attributable to :					
Equity holders of the Company		(84,816)	(278,222)	(96,738)	(239,078)
Non-controlling interests of the subsidiaries		(29,143)	(26,765)	-	-
		(113,959)	(304,987)	(96,738)	(239,078)
Total comprehensive income attributable to :					
Equity holders of the Company		(84,816)	(278,222)	(96,738)	(239,078)
Non-controlling interests of the subsidiaries		(29,143)	(26,765)	-	-
		(113,959)	(304,987)	(96,738)	(239,078)
Basic loss per share					
Equity holders of the Company (Unit : Baht)	24	(0.03)	(0.09)	(0.03)	(0.08)

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, 2018

(Unit : Thousand Baht)

				Other component of shareholders' equity		Total shareholders' equity of the Company	Non - controlling interests	Total 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			
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 income 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)
Balance as at January 1, 2018	3,115,268	(1,062,823)	(3,498,144)	73,689	73,689	(1,372,010)	77,945	(1,294,065)
Loss for the period	-	-	(84,816)	-	-	(84,816)	(29,143)	(113,959)
Other comprehensive income	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	(84,816)	-	-	(84,816)	(29,143)	(113,959)
Ending balance as at March 31, 2018	3,115,268	(1,062,823)	(3,582,960)	73,689	73,689	(1,456,826)	48,802	(1,408,024)

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, 2018

(Unit : Thousand Baht)

	Issued and paid-up share capital	Discount on share capital	Deficit	Total
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 income 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)
Balance as at January 1, 2018	3,115,268	(1,062,823)	(3,318,985)	(1,266,540)
Loss for the period	-	-	(96,738)	(96,738)
Other comprehensive income	-	-	-	-
Total comprehensive income for the period	-	-	(96,738)	(96,738)
Ending balance as at March 31, 2018	3,115,268	(1,062,823)	(3,415,723)	(1,363,278)

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, 2018

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from operating activities				
Loss before income tax	(116,653)	(307,333)	(96,738)	(239,078)
Adjustments to reconcile loss before income tax for cash received (paid) from operation				
Depreciation	15,332	16,580	941	2,108
Depreciation for investment property	227	227	227	227
Doubtful accounts trade receivable and advance payment for goods (reversal)	33,907	241,797	(3,662)	210,057
Loss from declining in value of inventories (reversal)	(1,488)	2,339	3,259	682
Impairment loss on investment in subsidiary	-	-	32,969	-
Share of loss on investment in associates	2,190	2,827	-	-
Share of loss on inventories of investment in associates	19	-	-	-
Unrealized (gain) loss on exchange rate	10,261	(3,571)	6,120	(3,571)
Employee benefits expense	71	114	35	57
Interest income	(130)	(499)	(120)	(8,165)
Interest expenses	46,801	42,445	46,801	42,445
Interest expenses of employee benefits	26	27	11	12
Profit (loss) from operation before changes in operating assets and liabilities	(9,437)	(5,047)	(10,157)	4,774
Operating assets (increase) decrease				
Trade and other receivable	(40,685)	33,093	(32,066)	1,493
Inventories	38,002	(243,890)	39,861	(155,956)
Advance payment for goods	(63,145)	202,888	46	171,151
Other non-current assets	13	14	12	6
Operating liabilities increase (decrease)				
Trade and other payable	6,091	36,553	14,785	(35,233)
Cash received (paid) from operation	(69,161)	23,611	12,481	(13,765)
Cash paid for income tax	(91)	(15)	(4)	(11)
Net cash received from (used in) operating activities	(69,252)	23,596	12,477	(13,776)

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, 2018

(Unit : Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	2018	2017	2018	2017
Cash flows from investing activities				
(Increase) decrease in bank deposits pledged as collateral	173	(16)	(5)	(4)
Cash payment for short-term loans to related parties	-	-	(147,762)	-
Cash received from short-term loans to related parties	-	-	8,920	-
Cash received from interest	131	182	120	170
Cash payment for purchase of property, plant and equipment	(15)	(361)	(15)	-
Net cash received from (used in) investing activities	289	(195)	(138,742)	166
Cash flows from financing activities				
Decrease in short-term loans from financial institutions	-	(4,000)	-	(4,000)
Cash payment for short-term loans from other persons and parties	-	(10,000)	-	(10,000)
Cash paid for interest expenses	(6)	(20,254)	(6)	(20,254)
Net cash used in financing activities	(6)	(34,254)	(6)	(34,254)
Cash and cash equivalent items decrease-net	(68,969)	(10,853)	(126,271)	(47,864)
Cash and cash equivalent items at the beginning of the period	128,562	181,863	126,673	179,560
Cash and cash equivalent items at the end of the period	59,593	171,010	402	131,696

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, 2018

(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-Chaitalee 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-month period ended March 31, 2018, and 2017 in the consolidated financial statements amount of Baht 113.96 million and amount of Baht 304.99 million and in the separate financial statements amount of Baht 96.74 million and amount of Baht 239.08 million respectively and as at March 31, 2018 the Group and the Company had current liabilities exceeded current assets by amount of Baht 2,177.86 million and amount of Baht 1,795.83 million and total liabilities exceeded total assets by amount of Baht 1,408.02 million and amount of Baht 1,363.28 million respectively. (As at December 31, 2017 the Group and the Company had current liabilities exceeded current assets by amount of Baht 2,079.24 million and amount of Baht 1,733.27 million and total liabilities exceeded total assets by amount of Baht 1,294.06 million and amount of Baht 1,266.54 million respectively). The Board of Directors’ meeting No. 4/2017 has the resolution to enter debt restructuring under the rehabilitation through the Bankruptcy Court. However, on December 27, 2017 the Central Bankruptcy Court has ordered to revoke the Company’s petition for Business Rehabilitation as mention in note to financial statements No. 2.2. These conditions, along with other matters as set forth in note to financial statements No. 15, 17, 18, 19 and 26 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 Group and the Company may be unable to realize its assets and discharge its liabilities in the normal course of business.

Presently, the Company is in the process of improving its operating, coordinate and cooperates with creditors to find the appropriate the debt restructuring process and finding new source of funds. The Company's management believes that it is able to improve its operation and find out the debt restructuring plan with the creditors and obtain adequate credit facilities for continuing its operation.

The consolidated and separate financial statements have been prepared on the going concern basis on the assumption that the debt restructuring with the creditors and 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 debt restructuring plan and the business rehabilitation plan.

2.2 Submission of a petition for Business Rehabilitation to the Central Bankruptcy Court

The Board of Directors' meeting No. 4/2017 of the Company has the resolution approved the Company to submit a petition for Business Rehabilitation to the Central Bankruptcy Court on March 6, 2017 and approved the Company to be Rehabilitation Planner. The Central Bankruptcy Court has already accepted such petition. The Court scheduled the inquiry on the petition on May 29, 2017, however upon the date to inquiry the petition, 20 creditors had submitted request to object the petition. The Court has scheduled to inquiry the witness of requesting party in September to October 2017 and the witness of objection party in October to December 2017. Later, on December 27, 2017 the Central Bankruptcy Court has ordered to revoke the Company's petition for Business Rehabilitation. However, the Company has concluded the debt restructuring plan with debentures payables as mention in note to financial statements No. 18 and preparing to new submit a petition for Business Rehabilitation to the Central Bankruptcy Court.

2.3 The 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.

2.4 The interim financial statements are prepared in the condensed format and in accordance with Thai Accounting Standard No. 34 (Revised 2017) "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 Group company and 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.

- 2.5 The interim financial statements are prepared to provide an update on the financial statements for the year ended December 31, 2017. 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, 2017.
- 2.6 The interim financial statements are presented in Thai Baht, rounded to the nearest thousand baht unless otherwise stated.
- 2.7 Using of the significant accounting policies and the calculation method of the Group and the Company in the preparation of the interim financial statements for the three-month period ended March 31, 2018 are consistent with those used in the annual financial statements for the year ended December 31, 2017.
- 2.8 New financial reporting standards

During the period, the Group and the Company has adopted the revised financial reporting standards and interpretations (revised 2017) and new accounting treatment guidance which are effective for fiscal years beginning on or after January 1, 2018. 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 and the Company's financial statements.

3. Principles of interim consolidation financial statements

The interim consolidated financial statements for the three-month period ended March 31, 2018 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 has shareholding in directly and indirectly on those subsidiaries as follows:-

<u>Name of subsidiaries</u>	<u>Nature of business</u>	<u>Country of incorporation</u>	<u>Percentage of shareholdings</u>	
			<u>As at March 31, 2018</u>	<u>As at December 31, 2017</u>
Rich Asia Industry Co., Ltd.	Production and distribution of steel pipe, steel product and service of steel production	Thai	51.88	51.88
G.Y.T. Engineering Co., Ltd.	Procurement of material, equipment, and technology as well as investment in utilities and infrastructure	Thai	94.82	94.82
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. Related parties transaction

The Company has business transactions with related entities, which have the same group of shareholders or mutual directors. Such transaction which have been concluded on commercial terms and based agreed up on between the company and related parties and are in ordinary course of business which can be summarized as follow:-

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, 2018</u>	<u>December 31, 2017</u>	<u>March 31, 2018</u>	<u>December 31, 2017</u>
<u>Trade and other receivable</u>				
Rich Asia Industry Co., Ltd.	-	-	18,092	18,092
G.Y.T. Engineering Co., Ltd.	-	-	20	20
Thai National Product Co., Ltd.	3,933	416	497	416
Total	3,933	416	18,609	18,528
<u>Less</u> Allowance for doubtful debt	-	-	(18,092)	(18,092)
Trade and other receivable-net	3,933	416	517	436
<u>Advance payment for goods</u>				
Rich Asia Industry Co., Ltd.	-	-	67,290	67,290
Total	-	-	67,290	67,290
<u>Short-term loans to related parties</u>				
Rich Asia Industry Co., Ltd.				
Beginning balance	-	-	391,600	389,200
Addition	-	-	147,762	5,000
Repayment	-	-	(8,920)	(2,600)
Ending balance	-	-	530,442	391,600
G.Y.T. Engineering Co., Ltd.				
Beginning balance	-	-	-	-
Addition	-	-	-	60,000
Repayment	-	-	-	(60,000)
Ending balance	-	-	-	-
Total short-term loans to related parties	-	-	530,442	391,600

As at March 31, 2018 and December 31, 2017, the Company had short-term loans to subsidiary company which due within 2018, is carried by interest rate of 8.00% per annum for both periods. Therefore, the Company ceased revenue recognition for interest income since July 1, 2017 onward due to there is uncertainty to collectable. However, the subsidiary company still has commitment to pay interest as stipulated in the loan agreement. The Company will recognize interest income when interest is paid.

As at March 31, 2018 the subsidiary company has temporary mortgaged its land, building and machinery as collateral to debenture payables of the Company for the loan limit amount of Baht 500.00 million until to repayment, these mortgages are belonging collateral part of the short-term loans to the subsidiary company as mention in note to financial statements No. 13 and 18.

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>March 31, 2018</u>	<u>December 31, 2017</u>	<u>March 31, 2018</u>	<u>December 31, 2017</u>
<u>Trade and other payable</u>				
Rich Asia Industry Co., Ltd.	-	-	28,802	9,908
G.T. Steel Works Co., Ltd.	11,747	11,747	11,747	11,747
Director	629	620	30	21
Total	12,376	12,367	40,579	21,676
<u>Advance received for goods</u>				
Thai National Product Co., Ltd.	-	1,109	-	-
Total	-	1,109	-	-

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>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<u>Transactions with related person and related companies</u>				
Revenues from sales of goods	6,888	-	464	-
Other expenses	91	79	91	79
<u>Transaction with subsidiary companies</u>				
(Eliminated from consolidated financial statements)				
Revenues from sales of goods	-	-	-	58,319
Revenues from sales of raw materials	-	-	-	37,311
Rental income	-	-	60	60
Interest income	-	-	-	7,677
Purchase of goods	-	-	29,683	86,939

4.3 Directors and management's benefits

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the three-month period ended March 31,</u>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	2,711	2,783	2,711	2,783
Post-employment benefits	7	22	7	22
Total	2,718	2,805	2,718	2,805

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
Rental income	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

The Company's director has guaranteed the Company's credit facilities from financial institution and debenture payables as mention in note to financial statements No. 14 and 18. 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
G.Y.T. 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 Work 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. Cash and cash equivalent items

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, 2018</u>	<u>December 31, 2017</u>	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Cash	127	97	63	47
Savings deposits	400	101,623	-	101,180
Current deposits	58,784	26,842	339	25,446
Cheque on hand	282	-	-	-
Total	59,593	128,562	402	126,673

6. 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, 2018</u>	<u>December 31, 2017</u>	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Trade receivable-related parties	3,933	416	497	416
Trade receivable-other parties	2,144,182	2,125,754	1,883,141	1,859,843
Cheques received-other parties	37,580	39,170	37,580	39,170
Total trade receivable	2,185,695	2,165,340	1,921,218	1,899,429
<u>Less</u> Allowance for doubtful accounts	(1,845,527)	(1,843,418)	(1,678,299)	(1,681,961)
Total trade receivable-net	340,168	321,922	242,919	217,468
Other receivable-related parties	-	-	18,112	18,112
Other receivable-other parties	2,258	1,623	1,417	1,450
Revenue department receivable	740	7	-	-
Advance-payment for loan procurement	5,000	3,000	-	-
Advance-payment for future project	10,500	8,000	-	-
Others	2,734	2,150	2,557	2,070
Total other receivable	21,232	14,780	22,086	21,632
<u>Less</u> Allowance for doubtful accounts	(1,415)	(1,415)	(19,507)	(19,507)
Total other receivable-net	19,817	13,365	2,579	2,125
Total trade and other receivable	359,985	335,287	245,498	219,593

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

6.1 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, 2018</u>	<u>December 31, 2017</u>	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Within credit term	294	416	294	416
Over due 1 to 90 days	3,639	-	203	-
Total	3,933	416	497	416

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

6.2 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, 2018</u>	<u>December 31, 2017</u>	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Within credit term	319,671	306,989	231,692	214,346
Over due 1 to 90 days	10,215	2,029	10,186	2,029
Over due 91 to 180 days	209	11,611	209	-
Over due 181 to 365 days	18,311	431,525	6,700	402,589
Over due over 1 year	1,833,356	1,412,770	1,671,934	1,280,049
Total	2,181,762	2,164,924	1,920,721	1,899,013
<u>Less</u> Allowance for doubtful debts	(1,845,527)	(1,843,418)	(1,678,299)	(1,681,961)
Net	336,235	321,506	242,422	217,052

The normal credit term granted by the Group is 7-120 days. However, the Company has the credit term for foreign receivable is 180 days with payment by letter of credit.

Movements of allowance for doubtful debts trade receivable for the three-month period ended March 31, 2018 and 2017, 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>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Beginning balance	(1,843,418)	(741,529)	(1,681,961)	(699,222)
Increase during the period	(5,805)	(241,797)	-	(210,057)
Reversal during the period	3,696	-	3,662	-
Ending balance	(1,845,527)	(983,326)	(1,678,299)	(909,279)

For the three-month period ended March 31, 2018 and 2017, no movement of allowance for doubtful debts other receivable.

As at March 31, 2018 and December 31, 2017, the consolidated financial statements, there are 10 accounts receivable total amount of Baht 1,839.72 million and amount of Baht 1,843.42 million. (The separate financial statements, there are 10 accounts receivable total amount of Baht 1,678.30 million and amount of Baht 1,681.96 million.) Such receivables have defaulted on repayment to the Group. The Group have filed a lawsuit against such receivables to enforce debt repayment. The Group set up the allowance for doubtful accounts in the consolidated and separate financial statements for the whole amount.

However, lawsuits have finalize, the debtors and the Company entered into compromise agreement. The debtors agreed to make a repayment to the Group by installment which has installment periods in 36-60 periods. The Group have reversed an allowance for doubtful account from debt collection for the three-month period ended March 31, 2018 in the consolidated amount of Baht 3.69 million. (The separate financial statements amount of Baht 3.66 million.) However, the subsidiary company has recognized an allowance for doubtful account of the receivable with overdue 181-365 days in amount of Baht 5.81 million.

As at March 31, 2018 and December 31, 2017, of the consolidated financial statements, advance payment for loan procurement amount of Baht 5.00 million and amount of Baht 3.00 million is advance payment to an agent who will be finding the source of loan for the subsidiary company in the loan amount not less than 600.00 million. The fees for proceed of loan not exceeding 5.00% of loan granted. However, if the agent cannot find a loan, the advance payment will be refunded to the subsidiary company in full amount plus interest rate at 8.00%.

As at March 31, 2018 and December 31, 2017, of the consolidated financial statements, advance payment for future project amount of Baht 10.50 million and amount of Baht 8.00 million is advance payment for future construction project. If such project cannot reach an agreement, the advance payment will be refunded to the subsidiary company in full amount plus interest rate at 8.00%.

7. Short-term loans to other person

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, 2018</u>	<u>December 31, 2017</u>	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Short-term loans to other person	30,000	30,000	30,000	30,000
<u>Less</u> Allowance for doubtful account	(30,000)	(30,000)	(30,000)	(30,000)
Net	-	-	-	-

For the three-month period ended March 31, 2018 and 2017, no movement of allowance for doubtful debts short-term loans to other person.

As at March 31, 2018 and December 31, 2017, the whole amount of short-term loans to other person derived from the Company paid deposits for due diligence before invested in Yala Green Energy Company, in accordance with the minute of the board of director No. 6/2015. Later, the board of management director No. 17/2016, has resolution to cancel an investment due to the result of the due diligence did not meet agreed criteria thus the board resolved to transfer the deposit for investment to short-term loan in the form of loans agreements, maturity within 1 year, which due at June 19, 2017 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. Later, the borrower has requested to extend the repayment period to August 31, 2017, which approved by the board of management directors No. 7/2017 dated March 2, 2017, which has interest rate include default interest rate at 8.50% per annum. However, the borrower has defaulted on repayment to the Company when due and request to extend the repayment period to next 6 months. The Company has filed a lawsuit against such borrower to enforce debt repayment. The Company set up the allowance for doubtful accounts for the whole amount.

8. 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, 2018</u>	<u>December 31, 2017</u>	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Finished goods	31,309	44,882	19,283	33,577
Work in process	-	4	-	-
Raw materials	20,248	44,750	5,660	31,250
Supplies	4,680	4,604	1,465	1,442
Total	56,237	94,240	26,408	66,269
<u>Less</u> Allowance for declining in value of inventories	(4,214)	(5,703)	(759)	(770)
Net	52,023	88,537	25,649	65,499

Movements of allowance for declining in value of inventories for the three-month period ended March 31, 2018 and 2017, 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>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Beginning balance	(5,703)	(7,558)	(770)	(1,130)
Reversal (increase) during the period	1,489	(2,339)	11	(138)
Ending balance	(4,214)	(9,897)	(759)	(1,268)

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>	<u>Separate financial statements</u>		
	<u>For the three-month period ended March 31,</u>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cost of inventory record as expense and include in the cost of goods sold				
- Cost of goods sold	92,070	202,634	74,289	217,481
- Loss from allowance for decline in value of inventories (reversal)	(1,489)	2,339	(11)	138
- Loss from allowance for decline in value of advance payment for goods	-	-	3,270	544
Net	90,581	204,973	77,548	218,163

9. 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, 2018</u>	<u>December 31, 2017</u>	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Advance payments for goods-related parties	-	-	67,290	67,290
Advance payments for goods-other parties	425,439	362,294	361,843	361,889
Total	425,439	362,294	429,133	429,179
<u>Less</u> Allowance for decline in value of inventories	-	-	(3,270)	-
Allowance for doubtful accounts	(393,641)	(361,843)	(361,843)	(361,843)
Net	31,798	451	64,020	67,336

Movements of allowance for declining in value of inventories for the three-month period ended March 31, 2018 and 2017, 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>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Beginning balance	-	-	-	-
Increase during the period	-	-	(3,270)	(544)
Ending balance	-	-	(3,270)	(544)

Movements of allowance for doubtful account of advance payment for the three-month period ended March 31, 2018 and 2017, 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>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Beginning balance	(361,843)	(364,892)	(361,843)	(364,892)
Increase during the period	(31,798)	-	-	-
Ending balance	(393,641)	(364,892)	(361,843)	(364,892)

As at March 31, 2018 and December 31, 2017, the consolidated and separate financial statements, the Company has advance payment for goods to 3 suppliers with total amount of Baht 361.84 million for both periods, such suppliers have been unable to deliver goods to the Company in time according to the contract including they did not refund the prepayment amount to the Company. The Company has filed a lawsuit against such suppliers to enforce debt repayment. However, the Company set up the allowance for doubtful account in the consolidated and separate financial statements whole amount. However, lawsuits have finalized, the debtors and the Company entered into compromise agreement. The debtors agreed to make a repayment to the Company by installment which has installment periods in 36-48 periods.

As at March 31, 2018 of the consolidated financial statements, advance payment for goods amount of Baht 63.60 million is advance payment for purchase of raw material that the subsidiary company has paid in advance to 2 overseas suppliers. The sale contract is required the subsidiary to pay in advance at the rate of 10% of the value contract and the remaining 90% of total amount will be payment by letter of credit. The subsidiary company has entered into a business co-operation framework agreement with a foreign company. Under the terms of business co-operation framework agreement, such foreign company will issue letter of credit to pay the remaining 90%. However when it dues the foreign partner inform to the subsidiary company that they cannot open letter of credit to pay for the goods. Currently, the subsidiary company is negotiating with overseas suppliers to refund the advance payment for goods. Anyway the overseas suppliers notice to the subsidiary company, they will charge with all and any damages, costs and expenses incurred. The summary of damages is in the process of summary and will inform the subsidiary company after finalized. The management has estimated provision of such losses and recognized them as allowance for doubtful accounts in amount of Baht 31.80 million.

10. 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 three-month</u>	
					<u>As at</u>		<u>period ended March 31</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>March 31, 2018</u>	<u>December 31, 2017</u>	<u>2018</u>	<u>2017</u>
Rich Asia Industry Co., Ltd.	441,701	441,701	51.88	51.88	536,062	536,062	-	-
G.Y.T. Engineering Co., Ltd.	20,750	20,750	94.82	94.82	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-								
Rich Asia Industry Co., Ltd.					(381,900)	(348,931)		
Net					175,087	208,056		

Movement of allowance for impairment loss for the three-month period ended March 31, 2018 and 2017, are as follow:-

	(Unit : Thousand Baht)	
	<u>Separate financial statements</u>	
	<u>For the three-month period ended March 31,</u>	
	<u>2018</u>	<u>2017</u>
Beginning balance	(348,931)	(251,913)
Increase during the period	(32,969)	-
Ending balance	<u>(381,900)</u>	<u>(251,913)</u>

Non-controlling interests

Subsidiary with material non-controlling interests is as follow:-

	(Unit : Thousand Baht)					
	<u>Proportion of ownership</u>		<u>Total comprehensive</u>			
	<u>interests held by the NCI</u>		<u>income allocated to NCI</u>		<u>Accumulated NCI</u>	
	<u>As at</u>		<u>For the three-month</u>		<u>As at</u>	
	<u>March 31,</u>	<u>December 31,</u>	<u>period ended March 31,</u>		<u>March 31,</u>	<u>December 31,</u>
<u>Name of companies</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Rich Asia Industry Co., Ltd.	48.12%	48.12%	(29,134)	(26,765)	(47,846)	(76,980)

Summarised financial information for Rich Asia Industry Company Limited before eliminations, is as follow:-

	(Unit : Thousand Baht)	
	<u>Rich Asia Industry Co., Ltd.</u>	
	<u>As at</u>	
	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Current assets	248,452	141,573
Non-current assets	624,210	638,778
Total assets	<u>872,662</u>	<u>780,351</u>
Current liabilities	(696,139)	(540,638)
Non-current liabilities	(77,092)	(79,738)
Total liabilities	<u>(773,231)</u>	<u>(620,376)</u>
Equity attributable to the Company's shareholders	<u>(51,585)</u>	<u>(82,995)</u>
Non-controlling interests	<u>(47,846)</u>	<u>(76,980)</u>

(Unit : Thousand Baht)

Rich Asia Industry Co., Ltd.For the three-month period ended March 31,

	<u>2018</u>	<u>2017</u>
Revenue	37,073	146,747
Loss for the period attributable to the Company's shareholders	(31,410)	(28,857)
Loss for the period attributable to non-controlling interests	(29,134)	(26,765)
Loss for the period	(60,544)	(55,622)
Other comprehensive income for the period	-	-
Total comprehensive income attributable to the Company's shareholders	(31,410)	(28,857)
Total comprehensive income attributable to non-controlling interests	(29,134)	(26,765)
Total comprehensive income for the period	(60,544)	(55,622)
Net cash from operating activities	(78,884)	37,762
Net cash from investing activities	189	(362)
Net cash from financing activities	135,669	(367)
Cash and cash equivalent items increase-net	56,974	37,033

11. Investment in associate

Consisted of:-

(Unit : Thousand Baht)

Name of companies	<u>Consolidated financial statements</u>				<u>Separate financial statements</u>	
	<u>Investment as</u>				<u>Investment as</u>	
	<u>equity method</u>				<u>cost method</u>	
	<u>Percentage of Shareholding(%)</u>					
	<u>As at</u>	<u>As at</u>	<u>As at</u>	<u>As at</u>	<u>As at</u>	<u>As at</u>
	<u>March 31, 2018</u>	<u>December 31, 2017</u>	<u>March 31, 2018</u>	<u>December 31, 2017</u>	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Thai National Product Co., Ltd.	29.89	29.89	163,667	165,876	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>March 31, 2018</u>	<u>December 31, 2017</u>
Current assets	197,606	183,853
Non-current assets	307,923	310,363
Total assets	505,529	494,216
Current liabilities	(108,557)	(100,129)
Non-current liabilities	(6,302)	(6,172)
Total liabilities	(114,859)	(106,301)
Net assets	390,670	387,915

(Unit : Thousand Baht)

	<u>For the three-month period ended March 31,</u>	
	<u>2018</u>	<u>2017</u>
Revenue	78,564	64,494
Profit for the period	2,755	576
Other Comprehensive income for the period	-	-
Comprehensive income for the period	2,755	576
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, 2018</u>	<u>December 31, 2017</u>
Net assets of the associate	390,670	387,915
Shareholding of the company (%)	29.89	29.89
	116,771	115,948
Adjustment the fair value as at acquisition date	46,915	49,949
Other adjustments	(19)	(21)
Book value of the Company in associate	163,667	165,876

As at March 31, 2018 and December 31, 2017, the Company has pledge its shares of investment in associate 4,346,666 shares, equivalent to 16.04% of shareholdings for both periods, as collateral of short-term loan from other persons and parties as mention in the note to financial statements No. 17.

12. Investment property

The movement of investment property for the three-month period ended March 31, 2018, were as follow:-

	(Unit : Thousand Baht)
	<u>Consolidated/Separate financial statements</u>
Book value at the beginning of the period	7,006
Depreciation for the period	(227)
Book value at the end of the period	<u>6,779</u>

As at March 31, 2018 and December 31, 2017, the consolidated and separate financial statements, the whole amount of investment property are pledged for loans granted by financial institutions as mention in the note to financial statements No. 14.

13. Property, plant and equipment

The movement of property, plant and equipment for the three-month period ended March 31, 2018, were as follow:-

	(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	686,925	52,571
Purchase of assets	15	15
Depreciation for the period	(15,332)	(941)
Book value at the end of the period	<u>671,608</u>	<u>51,645</u>

As at March 31, 2018 and December 31, 2017, The Group has pledged the part of land, property and machinery with the book value stated in the consolidated financial statements amount of Baht 665.62 million and amount of Baht 51.20 million respectively, to guarantee against credit facility of the Company that receives from commercial banks, financial institutions and debentures payable according to the note to financial statements No. 14 and 18.

As at March 31, 2018 and December 31, 2017, The Company has pledged the part of land, property and machinery with the book value stated in the separate financial statements amount of Baht 50.62 million and amount of Baht 51.20 million respectively, to guarantee against credit facility of the Company that receives from commercial banks and financial institutions according to the note to financial statements No. 14.

As at March 31, 2018 and December 31, 2017, in the consolidated financial statements the Group had the assets which fully depreciated but still in used. The cost price was amount of Baht 236.31 million, the book value was amount of Baht 2,605.23 and the cost price was amount of Baht 168.87 million, the book value was amount Baht 2,597.30 respectively.

As at March 31, 2018 and December 31, 2017, in the separate financial statements the Company had the assets which fully depreciated but still in used. The cost price was amount of Baht 118.39 million, the book value was amount of Baht 549.01 and the cost price was amount of Baht 50.95 million, the book value was amount of Baht 541.08 respectively.

14. 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, 2018 and December 31, 2017, in amount of Baht 1,172.85 million for both periods, it is pledged by the Company's land and buildings and certain machinery according to note to financial statements No. 12 and 13, some land and buildings of other company, land and buildings of director of the Company, a part of deposit at bank of the Company and subsidiary, other company and director of the Company, and beneficiary from insurance in buildings, machinery and equipment to commercial bank and financial institutions.

15. Short-term loans from financial institutions

Consisted of:-

(Unit : Thousand Baht)

	<u>Consolidated/Separate financial statements</u>	
	<u>As at</u>	
	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Promissory notes	16,000	16,000
Total	16,000	16,000

As at March 31, 2018 and December 31, 2017, the Company has short term loan promissory notes in amount of Baht 16.00 million for both periods, 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. However, on December 27, 2017 the Central Bankruptcy Court has ordered to revoke the Company's petition for Business Rehabilitation as mention in note to financial statements No. 2.2.

Promissory notes constitutes collaterals according in note to financial statements No. 14.

16. 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, 2018</u>	<u>December 31, 2017</u>	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Trade payable-related parties	8,647	8,647	33,592	18,555
Trade payable-other parties	148,478	139,346	109,206	115,860
Other payable-related parties	3,130	3,121	6,987	3,121
Other payable-other parties	6,645	8,634	3,565	3,580
Advance received for goods-related parties	-	1,109	-	-
Advance received for goods-other parties	7,142	7,142	7,142	7,142
Accrued expenses-related parties	599	599	-	-
Accrued expenses-other parties	151,612	124,583	146,576	116,907
Post dated cheques-other parties	231	94	-	-
Total	326,484	293,275	307,068	265,165

17. 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, 2018</u>	<u>December 31, 2017</u>
Short-term loans from other persons and parties	125,000	125,000
Total	125,000	125,000

As at March 31, 2018 and December 31, 2017, amount of Baht 125.00 million 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. 11.

As at March 31, 2018 and December 31, 2017, Short term loan from other persons and parties in amount of Baht 125.00 million for both periods, 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. However, on December 27, 2017 the Central Bankruptcy Court has ordered to revoke the Company's petition for Business Rehabilitation as mention in note to financial statements No. 2.2.

18. Debentures

As at March 31, 2018 and December 31, 2017, 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, 2018</u>	<u>December 31, 2017</u>	<u>Interest Rate</u>	<u>Term</u>	<u>Maturity Date</u>
1/2015	500,000	500,000	6.50 %	1 year 9 month	30 Jan 2017
2/2015	500,000	500,000	6.50 %	2 year	16 Jul 2017
3/2015	230,000	230,000	6.20 %	1 year 11 month 29 date	27 Oct 2017
Total	1,230,000	1,230,000			

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. 19 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 interest rate include 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 500.00 million and Debentures No. 2/2015 amount of Baht 500.00 million which is total outstanding of Baht 1,000.00 million, has been immediately due for payment. For the Debentures No. 3/2015 amount of Baht 230 million, the Company default to repayment interest on April 29, 2017, which cause to default to debentures No. 3/2015. The Company is required to immediately pay all principal amounts of the Debentures No. 1/2015, No. 2/2015 and No. 3/2015 with interest calculated from the date of default to the Debenture Holders. Later, the Board of Directors' meeting No. 4/2017 has the resolution to enter debt restructuring under the rehabilitation through the Court. However, on December 27, 2017 the Central Bankruptcy Court has ordered to revoke the Company's petition for Business Rehabilitation as mention in note to financial statements No. 2.2.

Later, the Debenture Holders' Meeting No. 1/2018 for the Company's debenture holder No.1/2015, No.2/2015 and No.3/2015, dated February 2, 2018, which could be summarized a significant resolution as follows:

1. Acknowledge results of request for business rehabilitation.
2. Considerations for initial process to rectify the defaulted debt repayment whereby partial repayment of the principal will be made and provide third party collateral. The resolution of the debenture holders' meeting was approved.
3. Considerations for process of partial of principle debenture repayment whereby the Company has agreed for partial repayment of the principal of Baht 400.00 million, all repayment will be made to every debenture holder in proportion to the value of debentures. In this regard, the debenture holders will have to approve the agenda items 4 and 5, and with conditions requiring the debenture holders to submit letter of consent for business rehabilitation not less than Baht 922.50 million. The resolution of the debenture holders' meeting was approved.
4. Considerations for mortgage registration as debenture holder's insurance whereby the Company has given consent for Rich Asia Industry Co., Ltd. mortgage its machinery as guarantee to the debenture holders in the amount of Baht 100.00 million. The resolution of the debenture holders' meeting was approved.

5. The Company has provided initial guidelines for the rectification for defaults of the Company's debt by submitting for new business rehabilitation. Whereby, when the Company is able to make partial repayment to debenture holders in Agenda 3 and mortgage its machinery as guarantee in Agenda 4, together with a private guarantee for the rest of the default for the debenture holders in Agenda 6, the debenture holders are to consider allowing the debenture holders signed letter of consent for the Company to enter Business Rehabilitation. Whereby, PCL Planner Co., Ltd. and Phoenix Advisory Services Co., Ltd. are assigned to be co-planner of the Company's Business Rehabilitation Plan. The resolution of the debenture holders' meeting was approved.
6. Considerations for guarantee and further repayment which the Debenture holders has proposed to Ms. Angkakarn Tantiviroon as Chief Executive Officer to sign for personal guarantee with credit limit Baht 830.00 million. And in the case of Rich Asia Industry Co., Ltd. can make 2nd machinery mortgaging for additional borrowing, Rich Asia Industry Co., Ltd. has to make additional repayment to debenture holders in the amount of Baht 50.00 million. The resolution of the debenture holders' meeting was approved.

However, as at March 31, 2018 the Company has not yet repaid the principle in amount of Baht 400.00 million to the debenture holder but the Company has mortgaged land, buildings and certain machinery of Rich Asia Industry Company Limited as collateral for guarantee the repayment in credit limit amount of Baht 500.00 million as mention in note to financial statements No.13 and the Company's Chief Executive Officer has already signed for personal guarantee the repayment to the debenture holder with credit limit in amount of Baht 830.00 million.

19. Liabilities under debt restructuring agreement

Consisted of:-

	(Unit : Thousand Baht)	
	<u>Consolidated/Separate financial statements</u>	
	<u>As at</u>	
	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Principal amount	537,746	537,746
Accrued interest expenses	192,861	176,891
Accrued interest pending for waiving	253,167	253,167
Total	983,774	967,804

The movements of liabilities under debt restructuring agreement for the three-month period ended March 31, 2018, were as follow:-

	(Unit : Thousand Baht)
	<u>Consolidated/Separate financial statements</u>
Book value at the beginning of the period	967,804
Suspend accrued interest for the period	15,970
Book value at the end of the period	<u>983,774</u>

The consolidated and separate financial statements, liabilities under debt restructuring agreement derived from the debt restructuring contract dated on May 30, 2014. In first quarter 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

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, 2018, remaining balance amount of Baht 360.27 million comprise principal amount of Baht 195.60 million, accrued interest amount of Baht 75.08 million and accrued interest pending for waiving amount of Baht 89.59 million (December 31, 2017 : remaining balance amount of Baht 354.56 million comprise principal amount of Baht 195.60 million, accrued interest amount of Baht 69.37 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, 2018, remaining balance amount of Baht 274.34 million comprise principal amount of Baht 141.00 million, accrued interest amount of Baht 58.86 million and accrued interest pending for waiving amount of Baht 74.48 million (December 31, 2017 : remaining balance amount of Baht 270.08 million comprise principal amount of Baht 141.00 million, accrued interest amount of Baht 54.60 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, 2018, remaining balance amount of Baht 156.96 million comprise principal amount of Baht 99.46 million, accrued interest amount of Baht 16.83 million and accrued interest pending for waiving amount of Baht 40.67 million (December 31, 2017 : remaining balance amount of Baht 153.98 million comprise principal amount of Baht 99.46 million, accrued interest amount of Baht 13.85 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, 2018, remaining balance amount of Baht 192.20 million comprise principal amount of Baht 101.68 million, accrued interest amount of Baht 42.09 million and accrued interest pending for waiving amount of Baht 48.43 million (December 31, 2017 : remaining balance amount of Baht 189.18 million comprise principal amount of Baht 101.68 million, accrued interest amount of Baht 39.07 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 in note to financial statements No. 14.

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. However, on December 27, 2017 the Central Bankruptcy Court has ordered to revoke the Company's petition for Business Rehabilitation as mention in note to financial statements No. 2.2.

20. Employee benefit obligations

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

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>As at</u>		<u>As at</u>	
	<u>March 31, 2018</u>	<u>December 31, 2017</u>	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Employee benefit obligations at the beginning of the period	3,428	3,289	1,552	1,604
Current service cost	71	457	35	227
Interest cost	26	109	11	49
Benefit paid	-	(427)	-	(328)
Employee benefit obligations at the end of the period	<u>3,525</u>	<u>3,428</u>	<u>1,598</u>	<u>1,552</u>

Expenses recognized in statements of comprehensive income for the three-month period ended March 31, 2018 and 2017, 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>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Cost of goods sold	20	39	5	-
Selling expenses	2	2	1	1
Administrative expenses	42	51	22	34
Directors and management’s benefits	7	22	7	22

Finance cost	26	27	11	12
Total	97	141	46	69

Principal actuarial assumptions at the reporting date are as at March 31, 2018 and December 31, 2017, were as follows:-

	(% per annum)	
	<u>Consolidated</u>	<u>Separate</u>
	<u>financial statements</u>	<u>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

21. Deferred tax liabilities

Deferred tax liabilities as at March 31, 2018 and December 31, 2017, were as follows:-

	(Unit : Thousand Baht)	
	<u>Consolidated financial statements</u>	
	<u>As at</u>	
	<u>March 31, 2018</u>	<u>December 31, 2017</u>
Deferred tax assets	-	-
Deferred tax liabilities	(75,190)	(77,884)
Net	(75,190)	(77,884)

The movements of deferred tax liabilities for the three-month period ended March 31, 2018, were as follows:-

)Unit : Thousand Baht(
	<u>Consolidated financial statements</u>		
	<u>As at</u>	<u>(Charged)/credited to</u>	<u>As at</u>
	<u>January 1, 2018</u>	<u>profit or loss</u>	<u>March 31, 2018</u>
		<u>(Note 23)</u>	
Deferred tax liabilities			
Property, plant and equipment	(77,884)	2,694	(75,190)

(Unit : Thousand Baht)

	Consolidated financial statements		
	As at	(Charged)/credited to	As at
	January 1, 2018	profit or loss (Note 23)	March 31, 2018
Total	(77,884)	2,694	(75,190)

As at March 31, 2018 and December 31, 2017, the Group had deductible temporary differences and tax losses carried forward in consolidated financial statements totaling amount of Baht 2,562.27 million and amount of Baht 3,242.69 million respectively and separate financial statements totaling amount of Baht 2,483.80 million and amount of Baht 3,061.51 million respectively which have not been recognized as deferred tax assets in the statements of financial position. Because it is not probable that it will be able to utilize the tax benefit in the foreseeable future.

22. 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, 2017 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, 2018	:	357,634,117 units

23. Income tax revenue

(Unit : Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>For the three-month period ended March 31,</u>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax expenses:	-	-	-	-
Deferred tax expense (Note 21)				

Movements in temporary differences	(2,694)	(2,346)	-	-
Total	(2,694)	(2,346)	-	-

24. Basic loss per share and diluted 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 March 31,</u>			
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Loss for the period (Unit : Thousand Baht)	(84,816)	(278,222)	(96,738)	(239,078)
The number of issued and paid-up ordinary shares				
(Unit : Thousand shares)	3,115,268	3,115,268	3,115,268	3,115,268
Basic loss per share (Baht/share)	(0.03)	(0.09)	(0.03)	(0.08)

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, 2018, because the average fair price of the ordinary share is lower than the exercise price of the warrant.

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 of 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, 2018 and 2017, 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, 2018, the Group has revenues from 3 customer amount of Baht 73.40 million of the Group total revenues. (2017 : revenues from 3 customer amount of Baht 179.98 million.)

26. 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:-

26.1 The Group had letter of guarantee has bank as follows:-

(Unit: Million Baht)

	<u>Consolidated/Separate financial statements</u>			
	<u>As at</u>			
	<u>March 31, 2018</u>	<u>December 31, 2017</u>	<u>March 31, 2018</u>	<u>December 31, 2017</u>
- Letter of guarantee has bank deposit				
of the Group pledge for collateral	3.50	3.50	1.85	1.85

26.2 Litigation

As at March 31, 2018 and December 31, 2017, a lawsuit had been filed against the Company claiming in the amount of Baht 25.35 million. This comprised debt amount of Baht 24.61 million arising from the purchase of goods and interest charges amount 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 amount of Baht 0.84 million, the Company has negotiated with creditor to waived the remaining amount.

On March 31, 2017, a lawsuit had been filed against the subsidiary company regarding breach of the contract for work hiring which claiming in the amount of Baht 1.63 million. The subsidiary company submitted a filed against a lawsuit. Later, on December 26, 2017 the Court dismissed the case. On March 22, 2018, the plaintiff submitted a letter appealing to the court, a lawsuit is in between considered of the court. However, the independent legal counselor of the subsidiary company believes that eventually the subsidiary company will win the cases and therefore the subsidiary company has not recorded provision liability.

26.3 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.

27. Exchange rate risk

The Group had exchange rate risk which involves with purchase or sales products in foreign currencies 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, 2018</u>	<u>December 31, 2017</u>	<u>March 31, 2018</u>	<u>December 31, 2017</u>
<u>Assets</u>				
Million US Dollar	9.92	9.36	7.08	6.52
<u>Liabilities</u>				
Million US Dollar	2.57	2.57	2.57	2.57

28. Approval of interim financial statements

These interim consolidated and separated financial statements were authorized for issue by the Company's board of director on May 14, 2018.
