

- Translation -

PorBor. 044/2017

May 26, 2017

Subject: Clarification of operating results different from the same period last year more than 20% (additional)

To: President
The Stock Exchange of Thailand

Rich Asia Corporation Public Company Limited and subsidiaries would like to clarify the results of the quarter ended March 31, 2017 according to the regulation of The Stock Exchange of Thailand as follows

1. Total sale revenue and service was 203.38 million Baht, decreased 580.51 million Baht or 74.06% from the same period last year due to the Company and its subsidiary received orders from customers in this period decreasing from the same period last year.

Other Revenue was 4.71 million Baht, decreased 0.62 million Baht or 15.11% from the same period last year due to other service revenues decreased.

2. Cost of goods sold and service was 204.97 million Baht, decreased 511.93 million Baht or 71.41% from the same period last year due to the sales volume and sales revenue has decreased.

3. Selling, administrative and others expenses was 23.35 million Baht, increased 1.01 million Baht or 4.53% from the same period last year due to the increased of machine repairing expense and legal & other consulting fees.

In addition, the company has recognized doubtful account increased amount of 241.80million Baht from the same period last year which is estimated from unpaid debtor. Such estimation are based on the Company's regulations related accounting policy. [Details of debtors with estimated additional doubtful account according to letter No. 028/2560, dated March 14, 2016](#) are as follows:

[Company debtors](#)

The Company has estimated additional doubtful account for this period totaling 212.27 million Baht, which are debtors the Company has already partially estimated in 2016. Whereby, these additional debtors are overdue accounts receivable and in request for payment extension process, thus the additional debt overdue exceeded 181-365 days.

Furthermore, there is reversal of doubtful accounts on receiving repayment from debtor amount of 2.21million Baht.

Debtor 5

Nature of Business	Trading of structural steel
Relationship with the Company	Business Partners
Debt amount *	243.02 million Baht
Debt to Sales ratio**	7.56%
Provision for allowance for doubtful accounts	100% of outstanding balance due to the debtor having overdue debt, due to the refusal of payment by check from the bank that the debtor has paid to the Company. The Company forecasts the risk of debt repayment, and thus have operated according to the law. In 2016, the Company has already estimated allowance for doubtful accounts at 50% of the total outstanding balance. Therefore, this period the Company has estimated additional doubtful accounts for the remaining outstanding balance.
Overdue	- Overdue 91-180 days amount 86.42 million Baht - Overdue 181-365 days amount 156.60 million Baht
Remark	Not related with majority shareholders, executives of the Company and subsidiaries

Debtor 6

Nature of Business	Trading all types of steel
Relationship with the Company	Business Partners
Debt amount *	253.57 million Baht
Debt to Sales ratio**	7.89%
Provision for allowance for doubtful accounts	50% of the debt overdue 181 days - 365 days, due to the debtors have been in long term business with the Company and there's no problem of payment. Furthermore, the debtor has requested for payment extension. Therefore it is a result to the additional of debt which overdue exceeded 181-365 days.
Overdue	- Overdue 1-90 days amount 6.70 million Baht - Overdue 91-180 days amount 58.00 million Baht - Overdue 181-365 days amount 188.87 million Baht
Remark	Not related with majority shareholders, executives of the Company and subsidiaries

Debtor 7

Nature of Business	Trading all types of steel
Relationship with the Company	Business Partners
Debt amount *	48.12 million Baht
Debt to Sales ratio**	1.50 %
Provision for allowance for doubtful accounts	50% of the debt overdue 181 days - 365 days, due to the debtors have been in long term business with the Company and there's no problem of payment. Furthermore, the debtor has requested for payment extension. Therefore it is a result to the additional of debt which overdue exceeded 181-365 days.
Overdue	- Overdue 181-365 days amount 48.12 million Baht
Remark	Not related with majority shareholders, executives of the Company and subsidiaries

Debtor 8

Nature of Business	Manufacture and trade steel bars and finished steel products
Relationship with the Company	Business Partners
Debt amount *	231.89 million Baht
Debt to Sales ratio**	7.21%
Provision for allowance for doubtful accounts	50% of the debt overdue 181 days - 365 days, due to the debtors have been in long term business with the Company and there's no problem of payment. As well as the debtor has proposed assets as collateral for partial payment. The remaining debt, the debtor has a request of payment extension to the Company. Therefore it is a result to the additional of debt which overdue exceeded 181-365 days.
Overdue	- Overdue 1-90 days amount 56.24 million Baht - Overdue 91-180 days amount 113.40 million Baht - Overdue 181-365 days amount 62.25 million Baht
Remark	Not related with majority shareholders, executives of the Company and subsidiaries

Remark: * Debt amount refers to includes tax

** Debt to Sales ratio refers to Debt to Sales ratio before value added tax to Sales

Subsidiaries Debtors

The subsidiary has estimated doubtful accounts receivable in this quarter amount of 31.74 million Baht, which is estimated additional 2 Accounts Receivable as doubtful accounts from 2016 (debtors 3 and 4). Debtors have requested for payment extension. Therefore it is a result to the additional of debt which overdue exceeded 181-365 days, details as follows:

Debtor 3

Nature of Business	Trading all types of steel
Relationship with the Company	Business Partners
Debt amount *	28.47 million Baht
Debt to Sales ratio**	0.89%
Provision for allowance for doubtful accounts	50% of the debt overdue 181 days - 365 days, due to the debtors have been in long term business with the Company and there's no problem of payment. Furthermore, the debtor has requested for payment extension.
Overdue	- Overdue 91-180 days amount 0.13 million Baht - Overdue 181-365 days amount 28.34 million Baht
Remark	Not related with majority shareholders, executives of the Company and subsidiaries

Debtor 4

Nature of Business	Manufacture and trade steel bars and finished steel products
Relationship with the Company	Business Partners
Debt amount *	44.24 million Baht
Debt to Sales ratio**	1.38%
Provision for allowance for doubtful accounts	50% of the debt overdue 181 days - 365 days, due to the debtors have been in long term business with the Company and there's no problem of payment. Furthermore, the debtor has requested for payment extension.
Overdue	- Overdue 1-90 days amount 4.07 million baht - Overdue 91-180 days amount 5.02 million Baht - Overdue 181-365 days amount 35.15 million Baht
Remark	Not related with majority shareholders, executives of the Company and subsidiaries

The company has closely monitored the payment of the aforementioned debtors and strictly following to the accounting procedures and practices of the Company.

4. Financial expense amount of 42.47 million Baht, decreased 0.45 million Baht or 1.04% from the same period last year due to the Company repay a portion of loan principal to financial institutions according to debt restructuring agreement dated March 30, 2016, which reflected to financial expense decreased compared to the same period last year.

5. Loss for the period was 278.22 million Baht, increased amount of 290.09 million Baht or 2,443.51% from the same period last year due to the Company's has decreased revenues and increased of administrative expenses and doubtful accounts as a result of loss operating performance in this period.

Please be informed accordingly.

Sincerely Yours,

- SOMKIAT VONGSAROJANA –

(Mr. Somkiat Vongsarojana)

Managing Director