

PorBor. 044 / 2019

December 4, 2019

Subject : Report performance
For the 6 months period ended June 30, 2019

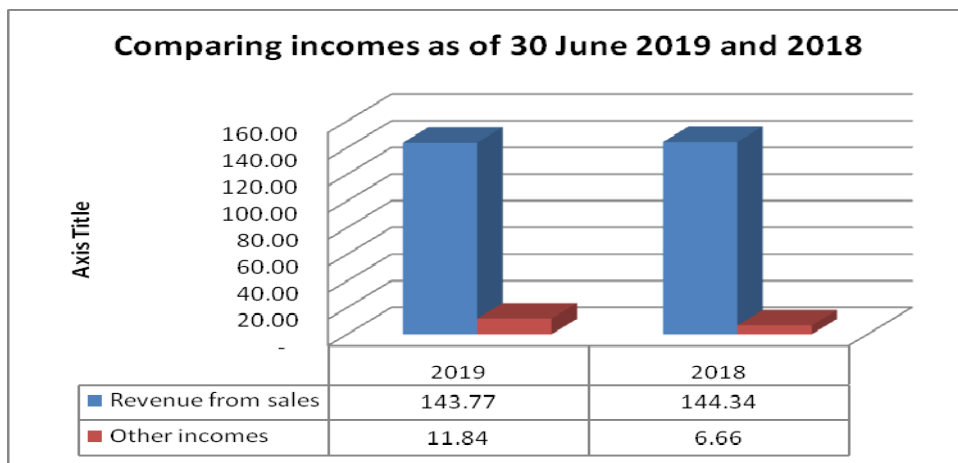
To: President
The Stock Exchange of Thailand

Rich Asia Corporation Public Company Limited ("the Company") would like to report the information according to the financial statements for the 6 months ended June 30, 2019 as follows:

Overview of Operating Performance

Company and its subsidiaries had revenue classified by product category consist revenue from the distribution of round bar, steel products and structural steel products.

Operating performance for the 6 months ended June 30, 2019 Company and its subsidiaries with revenue from sales and services amount of 143.77 million Baht, revenue in 2018 amount of 144.34 million Baht. First 6 months revenue decreased 0.57 million Baht or 0.39% compared to the same period of the last year due to the Company and its subsidiaries received decreased orders from customers. Other revenue increase 5.18 million Baht or 77.78% compared to the same period of last year due to the revenue of other services increase.



The main cost of products such as steel, which is the main raw material in steel. In 2019, the steel price remained fluctuation, uncertain. Therefore, the Company has planned stock procurement to manage the changing of steel price in order to no loss from procurement and stock inventory

The company had sales volume decrease for the 6 months ended June 30, 2019 as result to the costs of goods and services decreased amount of 0.61 million Baht or decreased 0.38% compared with the same period last year, which results to year 2019 the Company has gross loss 16.17 million Baht.

The Company had selling and administrative and other expenses amount of 30.48 million Baht, decreased from the same period of last year amount of 37.34 million Baht or decreased 55.06%. In 2019 the Company has received the doubtful debt 2.79 million Baht, decreased from the same period of last year amount of 30.17 million Baht or decreased 91.54%.

The Company and its subsidiaries had financial cost for the 6 months ended June 30, 2019 amount of 102.33 million Baht, which increased from the same period of last year amount of 7.34 million Baht or increased 7.73% due to the year 2019, the company had higher financial costs from interest burden from the issuance of bonds and financial institutions from the same period of the previous year.

Therefore from the company's sale revenue and service was decreased, whereas expenses was increased from financial cost and the estimation for doubtful accounts which result to the Company's sale revenue was not sufficient to support the Company's expenses which effect to the company's net loss for this period amount of 137.51 million Baht that represented decrease loss 2.83 million Baht or 2.02% comparing to the same period of last year.

Analysis of operating results

Revenue (Unit : Million Baht)	First 6 months (Jan. - Jun.)		Increase (decrease)	(%)
	2019	2018		
Revenue from sales	143.77	144.34	(0.57)	(0.39)
Other incomes	11.84	6.66	5.18	77.78
Total revenues	155.61	151.00	4.61	3.05

Revenue

The company and its subsidiaries have incomes for the 6 months ended June 30, 2019, a total of 155.61 million Baht, an increase of 4.61 million Baht from the same period last year, equivalent to 3.05%

- 1.1 Revenue from sales was 143.77 million Baht, decreased from the same period of last year by 0.57 million Baht or 0.39% due to the decrease in the amount of customer orders in the said period.
- 1.2 Other income was 11.84 million baht, an increase of 5.18 million Baht from the same period last year, representing 77.78% due to the increase in other services revenue.

Expenses (Unit : Million Baht)	First 6 months (Jan. - Jun.)		Increase (decrease)	(%)
	2019	2018		
Cost of sales	159.94	160.55	(0.61)	(0.38)
Selling and administrative expenses	30.48	67.82	(37.34)	(55.06)
Doubtful accounts (Reversal)	(2.79)	(17.34)	14.55	(83.91)
Finance cost	102.33	94.99	7.34	7.73
Total expenses	289.96	306.02	(16.06)	(5.25)

Expenses

The company and subsidiaries have expenses for the 6 months period ended June 30, 2019, a total of 289.96 million Baht, decreased from the same period last year 16.06 million Baht, equivalent to 5.25% due to

Cost of sales and services

For the 6 months period ended June 30, 2019 and 2018, the company and its subsidiaries had cost of sales and services 159.94 million Baht and 160.55 million Baht, decreased 0.61 million Baht from the same period last year, representing 0.38% due to the reduced orders' volume Therefore, the company has reduced cost of sales and services.

Selling and administrative expenses

For the 6 months period ended June 30, 2019 and 2018, the company has selling and administrative expenses in the amount of 30.48 million Baht and 67.82 million Baht respectively (this expense includes damages from advance payment default) decreased from the same period of last year was 37.34 million Baht or 55.06% due to the company has reduced expenses.

Doubtful accounts (Reversal)

For the 6 months period ended June 30, 2019, the company has received returned on doubtful accounts amount of 2.79 million Baht, which is the whole amount of trade account receivables. In this period, there's no recognition on allowance for doubtful accounts.

Finance costs

For the 6 months period ended June 30, 2019 and 2018, the company had financial costs in the amount of 102.33 million Baht and 94.99 million Baht respectively. In 2019, the company had the financial costs increased by 7.34 million Baht or equivalent to 7.73% due to the year 2019 the company calculated Calculate interest at default rate Therefore, the financial costs are higher than the same period last year.

Gross profit (loss)	First 6 months				Increase (decrease)	
	2019		2018			
	Million Baht	%	Million Baht	%	Million Baht	%
Revenue from sales	143.77	100.00	144.34	100.00	(0.57)	(0.39)
Cost of sales	159.94	111.25	160.55	111.23	(0.61)	(0.38)
Gross profit (loss)	(16.17)	(11.25)	(16.21)	(11.23)	0.04	(0.25)

Gross Profit (Loss)

For the 6 months period ended June 30, 2019 and 2018 the company and its subsidiaries had gross loss amount of 16.17 million Baht and 16.21 million Bath respectively or loss 11.25% and loss 11.23% of revenue from selling and service, respectively. Year 2019, the company had gross loss ratio decreased due to selling prices has volatility , Therefore resulting in the Company's gross loss decreased.

Net profit (loss) (Unit : Million Baht)	First 6 months (Jan. - Jun.)		Increase (decrease)	(%)
	2019	2018		
Loss before share of loss on investment				
in associate	(134.35)	(155.02)	20.67	(13.33)
Share of loss on investment in associate	(6.98)	(6.33)	(0.65)	10.27
Income tax revenue (expenses)	3.82	5.38	(1.56)	(29.00)
Loss for the period	(137.51)	(155.97)	18.46	(11.84)
Equity holders of the Company	(117.84)	(115.98)	(1.86)	1.60
Non-controlling interests of the subsidiaries	(19.67)	(39.99)	20.32	(50.81)
Basic loss per share	(0.038)	(0.037)		

Net profit (loss)

For the 6 months period ended June 30, 2019 and 2018 , the company and its subsidiaries loss for the period 137.51 million Baht, which were loss attributable to equity holder of the parent amount of 117.84 million Baht, which was attributable to non - controlling interests equity holders' amount of 19.67 million Baht. In 2018, the company had loss for the period 155.97 million Baht, which were loss attributable to equity holder of the parent amount of 115.99 million Baht, which was attributable to non - controlling interests equity holders' amount of 39.99 million Baht . The share of losses from associates was 6.98 million Baht, increase of 0.65 million Baht from the same period last year, representing 10.27% and income (expenses) income tax of 3.82 million Baht, a decrease from the same period last year amount 1.56 million Baht equivalent to 29.00%

In consideration profit and loss for the 6 months period ended June 30, 2019 , attributable to equity holder of the Company was loss amount of 117.84 million Baht, which increased from the same period of the last year amount of 1.86 million Baht or 1.60% due to income and gross profit were insufficient for the company's expenses and financial costs Therefore, the financial statements for the first 6 months of the year 2019, the company's operating results still have such losses.

Company statement of financial position

Description	Unit : Million Baht		Increase (decrease)	
	June 30, 2019	December 31, 2018		
	Million Baht	Million Baht	Million Baht	%
Total assets	987.22	974.80	12.42	1.27
Total liabilities	3,042.08	2,887.32	154.76	5.36
Total shareholders' equity	(2,054.86)	(1,912.52)	(142.34)	7.44
Book value - baht per share	(0.66)	(0.61)	(0.05)	8.20

Note: Value of registered and paid-up shares at 1 baht per share

Assets: The Company and its subsidiaries have total assets as of 30 June 2019 in the amount of 987.22 million Baht, increased amount 12.42 million Baht from the previous year, equivalent to 1.27% due to

1. Current assets increased amount of 455.90 million Baht or 309.71% consisting of Cash and cash equivalents decreased amount of 6.15 million Baht or 32.52%. Trade and other receivables increased amount of 39.45 million Baht or 41.30%. Short-term loans to other persons decreased amount of 0.50 million Baht or 21.74%. Inventories increased amount of 5.39 million Baht or 17.68%. Advance payment for goods increased amount of 1.90 million Baht and Non-current assets held for sales increase of 415.81 million Baht.

2. Non-current assets decreased amount of 443.48 million Baht or 53.59% which is consisting of Bank deposit pledged as collateral decreased amount of 0.83 million Baht or 26.95%. Investments in associated companies decreased amount of 8.53 million Baht or 5.15%. Investment property increased amount of 2.73 million Baht or 44.83% of Property, plant and equipment decreased amount of 436.40 million Baht or 67.25% and other non-current assets decreased amount of 0.45 million Baht or 11.45%

Liabilities: The Company and its subsidiaries have total liabilities as of 30 June 2019 in the amount of 3,042.08 million Baht, which increase 154.76 million Baht from the previous year, or equivalent to 5.36% due to

1. Current liabilities increased 153.81 million Baht or 5.46% consisting of Short-term loans from financial institutions decreased 1.26 million Baht or 8.18%, trade and other payables increased 114.72 million Baht or 28.15% and liabilities under debt restructuring which is due in one year. Increased 40.35 million Baht or 3.89%

2. Non-current liabilities increased amount of 0.95 million Baht or 1.33% which consist of Employee benefit obligations increased amount of 4.14 million Baht or 121.76%. Deferred income tax liabilities decreased amount of 3.82 million Baht or 5.70% and other non-current liabilities increased amount of 0.63 million Baht or 63%.

Shareholders' equity: The Company and its subsidiaries have total shareholders' equity as of June30, 2019 in the amount of (2,054.86) million Baht, a decrease of 142.34 million Baht from the previous year, representing 7.44%, resulting the decrease in book value from 0.61 Baht per share to 0.66 Baht per share, which decreased by 0.05 Baht or 8.20% due to an increase in accumulated losses of 122.35 million Baht or 3.05% which results from increase in net loss for the period of 142.34 million Baht and contributed of non-controlling interests increased by 19.99 million Baht.

Cash flow statement

Description	Unit : Million Baht	
	First 6 months for 2019	First 6 months for 2018
Profit (loss) from operating activities before change in operating assets and liabilities	(17.91)	(55.08)
Net cash receive (payment) from operating activities	13.79	(8.01)
Net cash provided by (used in) from operating activities	(4.12)	(63.09)
Net cash provided by (used in) from investing activities	(0.76)	0.49
Net cash provided by (used in) from financing activities	(1.27)	(0.01)
Net increase or (decreased) in cash and cash equivalents	(6.15)	(62.61)
Cash and cash equivalents-Beginning of year	18.91	128.56
Cash and cash equivalents-End of period	12.76	65.95

Remark: Cash flow statement from the consolidated financial statement

For the 6 months period ended June 30, 2019 the company and its subsidiaries had cash flow balance 12.76 million Baht. In the year 2019 cash received from working capital to be used in business in 2019 as details below:

Statement of cash flows of the Company and its subsidiaries for 2019, the company received and used cash flow in the following activity.

The company paid net cash for operating activities in the amount of 4.12 million Baht. There are significant transactions as follows:

- (1) The company has operating losses before the change of assets and liabilities in the amount of 17.91 million Baht.

(2) The company received net cash in assets and liabilities from operating activities in the amount of 13.79 million Baht with the following details:

- The company received cash transactions in operating assets and liabilities in the amount of 58.25 million Baht, receiving net cash from other non-current assets in the amount of 0.45 million Baht, trade and other payables in the amount of 57.17 million Baht and other non-current liabilities in the amount of 0.63 million Baht.

- The company has net cash payments in operating assets and liabilities in the amount of 44.47 million Baht, which are important expenses such as trade and other receivables of 36.59 million Baht, inventories amount of 4.45 million baht, advance payment for goods amount of 1.90 million Baht, employee benefit obligations amount of 0.46 million Baht and tax payment amount of 1.07 million Baht

The company has net cash received in investing activities amount of 0.76 million Baht, the major items as the following:

- Net cash received from interest income 0.13 million Baht. Cash paid from bank deposit pledged as collateral 0.83 million Baht. Short-term loans from other persons and parties 1.50 million Baht and cash received from sales of property, plant and equipment 0.80 million Baht.

- The company paid cash for buying property, plant and equipment amount of 0.83 million Baht and investment property amount of 3.19 million baht.

The company has net cash paid in financing activities amount of 1.27 million Baht, the major items as the following:

- The company has net cash paid from Short-term loans from financial institutions 1.26 million Baht and interest expenses 0.01 million Baht

Please be informed accordingly.

Sincerely Yours,

- SOMKIAT VONGSAROJANA –

(Mr. Somkiat Vongsarojana)

Managing Director