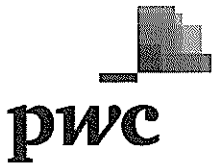


MILL CON STEEL INDUSTRIES PUBLIC COMPANY LIMITED

**INTERIM CONSOLIDATED AND COMPANY FINANCIAL STATEMENTS
(UNAUDITED)**

30 JUNE 2011



AUDITOR'S REPORT ON REVIEW OF INTERIM FINANCIAL STATEMENTS

To the Shareholders and the Board of Directors of Mill Con Steel Industries Public Company Limited

I have reviewed the accompanying consolidated and company statements of financial position as at 30 June 2011, and the related consolidated and company statements of comprehensive income for the three-month and six-month periods ended 30 June 2011, and the related consolidated and company statements of changes in equity and cash flows for the six-month period ended 30 June 2011 of Mill Con Steel Industries Public Company Limited and its subsidiaries, and of Mill Con Steel Industries Public Company Limited, respectively. The Company's management is responsible for the correctness and completeness of information in these interim financial statements. My responsibility is to issue a report on these financial statements based on my review. The interim consolidated and company financial statements for the six-month period ended 30 June 2010 of Mill Con Steel Industries Public Company Limited and its subsidiaries, and of Mill Con Steel Industries Public Company Limited, respectively were reviewed by another auditor in the same firm as myself, whose report dated 10 August 2010 stated that nothing had come to his attention that caused him to believe that the interim consolidated and company financial statements were not presented fairly, in all material respects, in accordance with generally accepted accounting principles. The consolidated and company statements of comprehensive income for the three-month and six-month periods ended 30 June 2010 and the consolidated and company statements of changes in equity and cash flows for the six-month period ended 30 June 2010, presented for comparative purposes, are components of the aforementioned interim consolidated and company financial statements.

I conducted my review in accordance with the standard on auditing applicable to review engagements. This standard requires that I plan and perform the review to obtain moderate assurance as to whether the interim financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data, and thus provides less assurance than an audit, and accordingly, I do not express an audit opinion.

Based on my review, nothing has come to my attention that causes me to believe that the interim consolidated and company financial statements referred to above are not presented fairly, in all material respects, in accordance with generally accepted accounting principles.

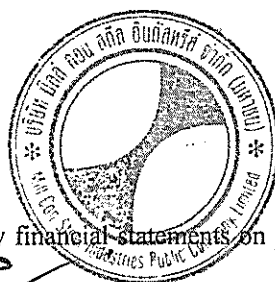
The consolidated and company financial statements for the year ended 31 December 2010 of Mill Con Steel Industries Public Company Limited and its subsidiaries, and of Mill Con Steel Industries Public Company Limited, respectively, were audited by another auditor in the same firm as myself in accordance with generally accepted auditing standards, whose report dated 25 February 2011, expressed an unqualified opinion on those statements. As discussed in Note 4 to the interim consolidated and company financial statements, from 1 January 2011, the Group has adopted the new and revised financial reporting standards as announced by the Federation of Accounting Professions and has changed accounting policies in respect of property, plant and equipment and derivative financial instruments. As a consequence, the consolidated and company statements of financial position as at 31 December 2010, as presented for comparative purposes, are part of the audited consolidated and company financial statements, which another auditor have audited and issued a report thereon, have been restated. I have audited the adjustments relating to the consolidated and company statements of financial position as at 31 December 2010. I have not performed any other auditing procedures subsequent to the date of that report, except for the adjustments as stated above. The interim consolidated and company financial statements for the three-month and six-month period ended 30 June 2010, presented for comparative purposes, have been therefore restated and presented in the new format to conform with the current period financial statements.

Prasit Yuengsrikul
Certified Public Accountant (Thailand) No. 4174
PricewaterhouseCoopers ABAS Ltd.

Bangkok
11 August 2011

Mill Con Steel Industries Public Company Limited
 Statements of Financial Position
 As at 30 June 2011 and 31 December 2010

	Consolidated		Company	
	Unaudited	(Restated) Audited	Unaudited	(Restated) Audited
	30 June	31 December	30 June	31 December
	2011	2010	2011	2010
Notes	Baht'000	Baht'000	Baht'000	Baht'000
Assets				
Current assets				
Cash and cash equivalents	215,647	189,903	157,949	175,609
Restricted deposits at financial institutions	193,011	150,000	193,011	150,000
Trade accounts and notes receivable, net	8, 9.3 3,025,768	1,564,607	2,993,977	1,556,508
Inventories, net	10 2,143,578	2,039,825	1,367,822	1,027,844
Advances to suppliers for purchases of goods	9.3 820,311	615,621	791,256	717,999
Derivative financial instruments	17 61,624	31	1,730	-
Other current assets	9.3 397,865	409,373	74,692	100,567
Total current assets	6,857,804	4,969,360	5,580,437	3,728,527
Non-current assets				
Restricted deposits at financial institutions	274,655	273,440	234,555	233,340
Derivative financial instruments	17 68,266	15,863	54,271	15,863
Investment in an associate	11 2,994	-	3,000	-
Investments in subsidiaries	11 -	-	2,529,115	2,166,890
Other long-term investment, net	3,524	3,544	-	-
Property, plant and equipment, net	12.1 4,745,736	3,322,884	1,068,767	875,482
Intangible assets, net	12.1 70,311	73,113	4,831	3,487
Other non-current assets	4,957	7,321	3,616	4,550
Total non-current assets	5,170,443	3,696,165	3,898,155	3,299,612
Total assets	12,028,247	8,665,525	9,478,592	7,028,139

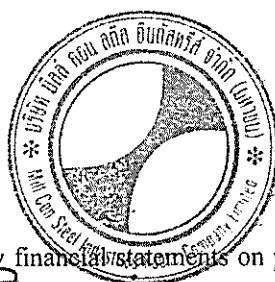


The notes to the interim consolidated and company financial statements on pages 13 to 33 are an integral part of these interim financial statements.

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Mill Con Steel Industries Public Company Limited
 Statements of Financial Position (Cont'd)
 As at 30 June 2011 and 31 December 2010

	Notes	Consolidated		Company	
		(Restated)		(Restated)	
		Unaudited	Audited	Unaudited	Audited
		30 June 2011 Baht'000	31 December 2010 Baht'000	30 June 2011 Baht'000	31 December 2010 Baht'000
Liabilities and equity					
Current liabilities					
Short-term loans from financial institutions	13.1	5,548,611	3,805,249	3,554,812	3,050,316
Short-term loans from discounted bills		1,812,694	515,234	1,812,694	515,234
Trade accounts payable	9.3	786,490	148,659	1,022,256	110,269
Advances from customers for sales of goods	9.3	232,994	75,170	223,954	60,497
Current portion of long-term loans from financial institutions	13.2	15,000	15,000	15,000	15,000
Current portion of liabilities under finance leases, net		8,539	7,954	-	-
Current portion of import tax and duty payable		-	2,814	-	-
Derivative financial instruments	17	1,605	16,834	1,605	1,544
Other current liabilities	9.3	277,736	166,990	44,133	37,297
Total current liabilities		8,683,669	4,753,904	6,674,454	3,790,157
Non-current liabilities					
Liabilities under finance leases, net		32,196	36,514	-	-
Long-term loans from financial institutions, net	13.2	7,250	834,396	7,250	578,200
Retirement benefit obligations	14	8,810	-	6,365	-
Derivative financial instruments	17	-	7,319	-	4,771
Total non-current liabilities		48,256	878,229	13,615	582,971
Total liabilities		8,731,925	5,632,133	6,688,069	4,373,128



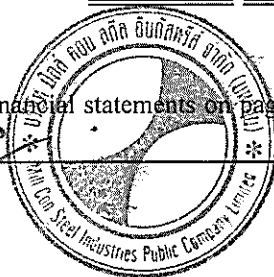
The notes to the interim consolidated and company financial statements on pages 13 to 33 are an integral part of these interim financial statements.

3

Mill Con Steel Industries Public Company Limited
Statements of Financial Position (Cont'd)
As at 30 June 2011 and 31 December 2010

	Consolidated		Company	
	Unaudited	(Restated) Audited	Unaudited	(Restated) Audited
	30 June	31 December	30 June	31 December
	2011	2010	2011	2010
Notes	Baht'000	Baht'000	Baht'000	Baht'000
Liabilities and equity (Cont'd)				
Equity				
Share capital				
Authorised share capital		15		
- Preferred shares, 294,864,171 shares of par Baht 0.40 each (31 December 2010 : Preferred shares, 544,608,960 shares of par Baht 0.40 each)	117,946	217,843	117,946	217,843
- Ordinary shares, 2,112,199,419 shares of par Baht 0.40 each (31 December 2010 : Ordinary shares, 2,112,199,420 shares of par Baht 0.40 each)	844,880	844,880	844,880	844,880
	<u>962,826</u>	<u>1,062,723</u>	<u>962,826</u>	<u>1,062,723</u>
Issued and paid-up share capital				
- Preferred shares, 294,864,171 shares of par Baht 0.40 each (31 December 2010 : Preferred shares, 288,197,571 shares of par Baht 0.40 each)	117,946	115,279	117,946	115,279
- Ordinary shares, 1,566,463,019 shares of par Baht 0.40 each	626,585	626,585	626,585	626,585
Premium on share capital				
Premium on preferred shares	1,089,888	1,065,395	1,089,888	1,065,395
Premium on ordinary shares	731,608	731,608	731,608	731,608
Retained earnings				
Appropriated - legal reserve	28,831	28,696	28,831	28,696
Unappropriated	707,765	473,534	195,665	87,448
Other components of equity				
	(40,338)	(39,638)	-	-
Total owners of the parent	<u>3,262,285</u>	<u>3,001,459</u>	<u>2,790,523</u>	<u>2,655,011</u>
Non-controlling interests	34,037	31,933	-	-
Total equity	<u>3,296,322</u>	<u>3,033,392</u>	<u>2,790,523</u>	<u>2,655,011</u>
Total liabilities and equity	<u>12,028,247</u>	<u>8,665,525</u>	<u>9,478,592</u>	<u>7,028,139</u>

The notes to the interim consolidated and company financial statements on pages 13 to 33 are an integral part of these interim financial statements.

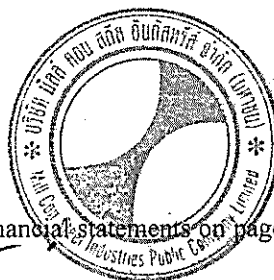


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Mill Con Steel Industries Public Company Limited
 Statements of Comprehensive Income (Unaudited)
 For the three-month periods ended 30 June 2011 and 2010

	Notes	Consolidated		Company	
		2011 Baht'000	(Restated) 2010 Baht'000	2011 Baht'000	(Restated) 2010 Baht'000
Revenues					
Sales of goods and services	9.1	3,998,865	2,637,957	4,232,066	2,474,216
Dividend income	9.1	-	-	-	88,308
Other income	9.1, 18	47,760	25,962	17,722	14,877
Total revenues		4,046,625	2,663,919	4,249,788	2,577,401
Expenses					
Cost of sales and services	9.2	3,779,730	2,515,927	4,014,655	2,370,487
Selling expenses		5,690	1,039	28,020	13,088
Administrative expenses		34,076	29,894	24,626	9,133
Directors' and management's remuneration	9.2	10,468	5,539	8,988	3,054
Total expenses		3,829,964	2,552,399	4,076,289	2,395,762
Profit before finance costs and income tax		216,661	111,520	173,499	181,639
Finance costs	9.2, 19	(95,412)	(53,127)	(93,022)	(41,870)
Profit before income tax		121,249	58,393	80,477	139,769
Income tax		(18,485)	(473)	(11,025)	-
Profit for the period		102,764	57,920	69,452	139,769
Other comprehensive income (loss) for the period		-	-	-	-
Total comprehensive income for the period		102,764	57,920	69,452	139,769

The notes to the interim consolidated and company financial statements on pages 13 to 33 are an integral part of these interim financial statements.

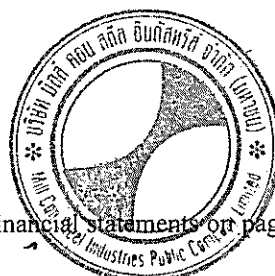


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Mill Con Steel Industries Public Company Limited
Statements of Comprehensive Income (Unaudited) (Cont'd)
For the three-month periods ended 30 June 2011 and 2010

	Note	Consolidated		Company	
		(Restated)		(Restated)	
		2011	2010	2011	2010
		Baht'000	Baht'000	Baht'000	Baht'000
Profit attributable to:					
Owners of the parent		102,510	57,842	69,452	139,769
Non-controlling interests		254	78	-	-
Profit for the period		<u>102,764</u>	<u>57,920</u>	<u>69,452</u>	<u>139,769</u>
Total comprehensive income attributable to:					
Owners of the parent		102,510	57,842	69,452	139,769
Non-controlling interests		254	78	-	-
Total comprehensive income for the period		<u>102,764</u>	<u>57,920</u>	<u>69,452</u>	<u>139,769</u>
Earnings per share for the period (Baht)					
Basic earnings per share	20	<u>0.06</u>	<u>0.03</u>	<u>0.03</u>	<u>0.09</u>
Diluted earnings per share	20	<u>0.05</u>	<u>0.03</u>	<u>0.03</u>	<u>0.09</u>

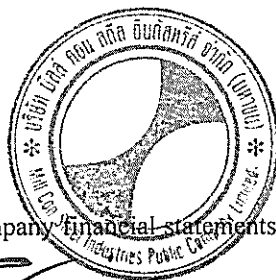


The notes to the interim consolidated and company financial statements on pages 13 to 33 are an integral part of these interim financial statements.

Mill Con Steel Industries Public Company Limited
Statements of Comprehensive Income (Unaudited)
For the six-month periods ended 30 June 2011 and 2010

	Notes	Consolidated		Company	
		2011 Baht'000	(Restated) 2010 Baht'000	2011 Baht'000	(Restated) 2010 Baht'000
Revenues					
Sales of goods and services	9.1	7,665,098	5,056,969	8,512,261	4,826,661
Dividend income	9.1	-	-	-	88,308
Other income	9.1, 18	139,318	33,430	26,731	28,088
Total revenues		7,804,416	5,090,399	8,538,992	4,943,057
Expenses					
Cost of sales and services	9.2	7,248,211	4,847,344	8,119,372	4,671,118
Selling expenses		11,048	11,532	51,234	18,588
Administrative expenses		63,799	47,597	42,451	19,506
Directors' and management's remuneration	9.2	17,560	15,428	13,535	7,841
Total expenses		7,340,618	4,921,901	8,226,592	4,717,053
Profit before finance costs and income tax		463,798	168,498	312,400	226,004
Finance costs	9.2, 19	(178,142)	(101,661)	(174,676)	(77,808)
Profit before income tax		285,656	66,837	137,724	148,196
Income tax		(26,154)	(473)	(11,025)	-
Profit for the period		259,502	66,364	126,699	148,196
Other comprehensive income (loss) for the period		-	-	-	-
Total comprehensive income for the period		259,502	66,364	126,699	148,196

The notes to the interim consolidated and company financial statements on pages 13 to 33 are an integral part of these interim financial statements.

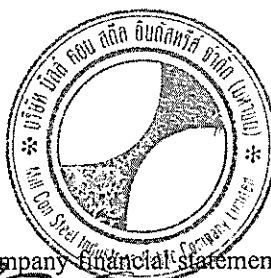


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Mill Con Steel Industries Public Company Limited
 Statements of Comprehensive Income (Unaudited) (Cont'd)
 For the six-month periods ended 30 June 2011 and 2010

	Note	Consolidated		Company	
		2011	(Restated) 2010	2011	(Restated) 2010
		Baht'000	Baht'000	Baht'000	Baht'000
Profit attributable to:					
Owners of the parent		257,988	65,432	126,699	148,196
Non-controlling interests		1,514	932	-	-
Profit for the period		<u>259,502</u>	<u>66,364</u>	<u>126,699</u>	<u>148,196</u>
Total comprehensive income attributable to:					
Owners of the parent		260,076	65,432	126,699	148,196
Non-controlling interests		1,514	932	-	-
Total comprehensive income for the period		<u>261,590</u>	<u>66,364</u>	<u>126,699</u>	<u>148,196</u>
Earnings per share for the period (Baht)					
Basic earnings per share	20	<u>0.15</u>	<u>0.04</u>	<u>0.06</u>	<u>0.10</u>
Diluted earnings per share	20	<u>0.14</u>	<u>0.03</u>	<u>0.06</u>	<u>0.09</u>

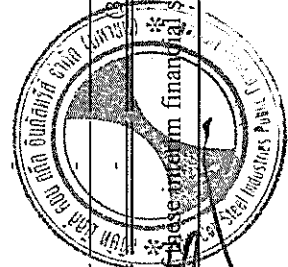


The notes to the interim consolidated and company financial statements on pages 13 to 33 are an integral part of these interim financial statements.

Mill Con Steel Industries Public Company Limited
 Statements of Changes in Equity (Unaudited)
 For the six-month periods ended 30 June 2011 and 2010

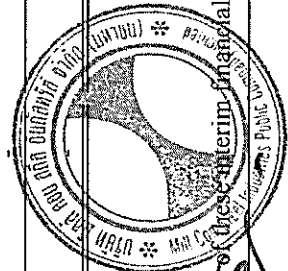
		Consolidated (Baht'000)							
		Attributable to owners of the parent			Other components of equity				
		Retained earnings		Fair value	Surplus				
		Appropriated	Unappropriated	reserves on	from changes in	Total other	Total	Non-	
		- legal reserve		assets, net	shareholding	components	owners of	controlling	
					interest in	of equity	the parent	interest	
					a subsidiary			Total equity	
Notes	Issued and paid-up share capital	Premium on shares	Appropriated	Unappropriated	reserves on assets, net	Total other components of equity	Total owners of the parent	Non-controlling interest	Total equity
	741,864	1,797,003	28,696	481,537	401,685	363,689	3,412,789	35,445	3,448,234
4.1	-	-	-	(8,003)	(401,685)	(403,327)	(411,330)	(3,512)	(414,842)
	741,864	1,797,003	28,696	473,534	-	(39,638)	3,001,459	31,933	3,033,392
4.2	-	-	-	(7,957)	-	-	(7,957)	(110)	(8,067)
15	2,667	24,493	-	-	-	-	27,160	-	27,160
	-	-	135	(135)	-	-	-	-	-
11	-	-	-	-	-	(700)	(700)	700	-
16	-	-	-	(15,665)	-	-	(15,665)	-	(15,665)
	-	-	-	257,988	-	-	257,988	1,514	259,502
	744,531	1,821,496	28,831	707,765	-	(40,338)	3,262,285	34,037	3,296,322
	573,000	731,608	20,622	475,333	421,523	2,167	2,224,253	184,545	2,408,798
4.1	-	-	-	(5,927)	(421,523)	(421,523)	(427,450)	(3,256)	(430,706)
	573,000	731,608	20,622	469,406	-	2,167	1,796,803	181,289	1,978,092
	96,166	890,527	-	-	-	-	986,693	-	986,693
	-	-	-	-	-	(41,543)	(41,543)	(146,601)	(188,144)
	-	-	-	-	-	-	-	(2,314)	(2,314)
	-	-	-	65,432	-	-	65,432	932	66,364
	669,166	1,622,135	20,622	534,838	-	(39,376)	2,807,385	33,306	2,840,691

The notes to the interim consolidated and company financial statements on pages 13 to 33 are an integral part of these interim financial statements.



Mill Con Steel Industries Public Company Limited
Statements of Changes in Equity (Unaudited) (Cont'd)
For the six-month periods ended 30 June 2011 and 2010

	Notes	Company (Baht'000)					Total equity
		Issued and paid-up share capital	Premium on shares	Fair value reserves on assets, net	Retained earnings		
					Appropriated	Unappropriated	
Opening balance as at 1 January 2011							
- As previously reported	4.1	741,864	1,797,003	387,101	28,696	77,900	3,032,564
- Retrospective adjustment from changes in accounting policies		-	-	(387,101)	-	9,548	(377,553)
- As restated		741,864	1,797,003	-	28,696	87,448	2,655,011
Adjustment of the application of a new accounting policy	4.2	-	-	-	-	(2,682)	(2,682)
Issue of preferred shares	15	2,667	24,493	-	-	-	27,160
Legal reserve		-	-	-	135	(135)	-
Dividend paid	16	-	-	-	-	(15,665)	(15,665)
Total comprehensive income for the period		-	-	-	-	126,699	126,699
Closing balance as at 30 June 2011		744,531	1,821,496	-	28,831	195,665	2,790,523
Opening balance as at 1 January 2010							
- As previously reported		573,000	731,608	404,680	20,622	23,382	1,753,292
- Retrospective adjustment from changes in accounting policies	4.1	-	-	(404,680)	-	(5,927)	(410,607)
- As restated		573,000	731,608	-	20,622	17,455	1,342,685
Issue of preferred shares	15	96,166	890,527	-	-	-	986,693
Total comprehensive income for the period (as restated)		-	-	-	-	148,196	148,196
Closing balance as at 30 June 2010		669,166	1,622,135	-	20,622	165,651	2,477,574



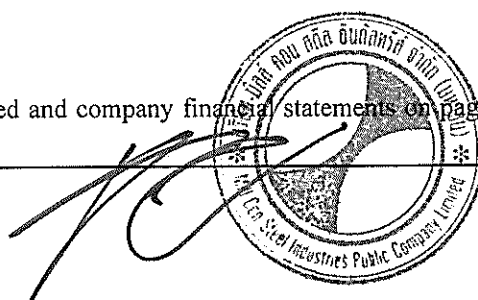
The notes to the interim consolidated and company financial statements on pages 13 to 33 are an integral part of these interim financial statements.

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Mill Con Steel Industries Public Company Limited
Statements of Cash Flows (Unaudited)
For the six-month periods ended 30 June 2011 and 2010

	Notes	Consolidated		Company	
		(Restated)		(Restated)	
		2011	2010	2011	2010
		Baht'000	Baht'000	Baht'000	Baht'000
Cash flows from operating activities					
Profit before income tax		285,656	66,837	137,724	148,196
Adjustment for:					
Depreciation	12.1	33,458	50,219	11,414	21,597
Amortisation	12.1	5,423	5,423	60	64
Doubtful accounts (reversal)	8	8,377	2,735	8,377	(363)
Amortised premium of bond		20	20	-	-
Allowance for net realisable value of inventories (reversal)	10	10,552	(16,649)	9,153	(7,379)
Gain on disposal of equipment		(326)	(511)	(21)	(1,260)
Loss from write-off fixed assets		1,465	-	1,416	-
Fair value (gains) losses on derivative financial instruments	17	(136,544)	(3,332)	(44,848)	(3,332)
Dividend income		-	-	-	(88,308)
Share of losses from an associate	11	6	-	-	-
Unrealised loss on exchange rate		64,279	-	64,279	-
Retirement benefit expenses		743	-	3,683	-
Interest income	18	(2,591)	(3,295)	(2,152)	(3,609)
Finance costs	19	135,878	88,668	132,412	64,815
Changes in operating assets and liabilities					
Trade accounts and notes receivable		(1,469,538)	(277,384)	(1,445,846)	(785,066)
Inventories		(114,305)	84,154	(349,131)	223,474
Advances to suppliers for purchases of goods		(204,690)	62,758	(73,257)	6,364
Retention money for purchases of goods		-	72,500	-	72,500
Other current assets		30,904	(106,627)	43,542	(3,728)
Other non-current assets		2,364	(631)	934	(676)
Trade accounts payable		637,831	109,400	911,987	(5,538)
Advances from customers for sales of goods		157,824	(169,871)	163,457	(253,216)
Other current liabilities		22,289	2,604	8,663	(7,811)
Cash flows from operations		(530,925)	(32,982)	(418,154)	(623,276)
Cash received from interests		9,978	3,473	1,819	3,273
Cash paid for interests		(175,171)	(97,056)	(150,047)	(70,823)
Cash paid for income tax		(4,061)	(178)	(265)	(74)
Net cash out flows from operating activities		(700,179)	(126,743)	(566,647)	(690,900)

The notes to the interim consolidated and company financial statements on pages 13 to 33 are an integral part of these interim financial statements.



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Mill Con Steel Industries Public Company Limited
Statements of Cash Flows (Unaudited) (Cont'd)
For the six-month periods ended 30 June 2011 and 2010

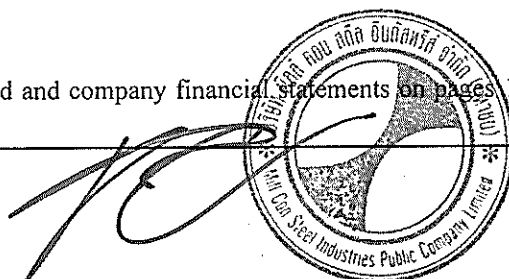
	Notes	Consolidated		Company	
		2011	2010	2011	2010
		Baht'000	Baht'000	Baht'000	Baht'000
Cash flows from investing activities					
Restricted deposits at financial institutions		(44,226)	(187,659)	(44,226)	(147,764)
Short-term loans to related parties		-	-	-	(70,300)
Short-term loans repayment received from related parties		-	-	-	66,700
Purchases of investments in subsidiaries	11	-	-	(362,225)	(771,637)
Purchase of investment in an associate	11	(3,000)	-	(3,000)	-
Purchase of property, plant and equipment	12.1	(1,373,216)	(867,185)	(218,812)	(28,352)
Purchase of intangible assets		(1,757)	(34)	(1,500)	-
Proceeds from disposal of equipment		362	511	57	3,173
Dividend received from a subsidiary		-	-	-	147,328
Net cash used in investing activities		(1,421,837)	(1,054,367)	(629,706)	(800,852)
Cash flows from financing activities					
Proceeds from short-term loans from financial institutions	13.1	8,615,481	6,402,873	6,665,419	4,973,959
Repayments of short-term loans from financial institutions	13.1	(8,593,585)	(6,312,599)	(6,788,652)	(4,688,984)
Short-term loans from discounted bills		1,297,460	368,032	1,297,460	595,054
Payments for import tax and duty		(2,814)	(2,814)	-	-
Proceeds from long-term loans from financial institutions	13.2	845,362	114,000	-	-
Payments for transaction costs of long-term loans		(13,163)	-	-	-
Repayments of long-term loans from financial institutions	13.2	(7,500)	(7,500)	(7,500)	(7,500)
Payments for liabilities under finance leases		(5,186)	(836)	-	(836)
Proceeds from share capital	15	27,160	798,734	27,160	798,734
Dividend payment		(15,455)	(2,314)	(15,194)	-
Net cash generated from financing activities		2,147,760	1,357,576	1,178,693	1,670,427
Net increase (decrease) in cash and cash equivalents		25,744	176,466	(17,660)	178,675
Beginning balance		189,903	32,405	175,609	19,872
Ending balance		215,647	208,871	157,949	198,547

Non-cash transactions

Significant non-cash transactions for the six-month periods ended 30 June 2011 and 2010:

Preferred shares issued to exchange with ordinary shares of subsidiary from minority	-	187,958	-	187,958
Outstanding payable arising from investment in property, plant and equipment	212,391	7,854	3,693	6,176
Outstanding payable arising from investment in intangible assets	1,404	-	204	-
Transfer of inventories to property, plant and equipment	16,731	10,836	-	10,836

The notes to the interim consolidated and company financial statements on pages 13 to 33 are an integral part of these interim financial statements.



Signature 12

1 General information

Mill Con Steel Industries Public Company Limited (the Company) is a public limited company incorporated and resident in Thailand. The address of its registered office is:

Head office : 9, 11, 13, Soi Banggradee 32, Banggradee Road, Samaedum, Bangkhuntien, Bangkok 10150

Branch 1 : 68/84-85 Moo 3, Samaedum Road, Samaedum, Bangkhuntien, Bangkok 10150

Branch 2 : 52 Thaniya Plaza Building 29th Floor, Suriyawongse Road, Bangrak, Bangkok 10500

Branch 3 : 99 Moo 3, T. Nikompattana, A. Nikompattana, Rayong 21180

The Company is listed on the Stock Exchange of Thailand. For reporting purposes, the Company and its subsidiaries are referred to as the Group.

The Group is principally engaged in manufacturing and trading of steel products.

These interim consolidated and company financial statements were authorised for issue by the Board of Directors on 11 August 2011.

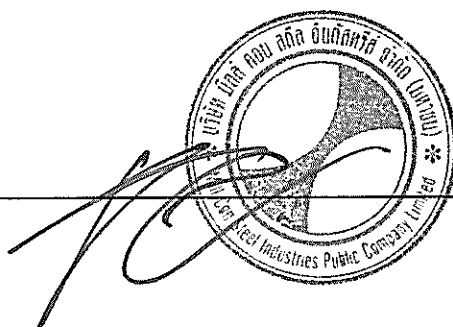
These interim consolidated and company financial statements have been reviewed, not audited.

2 Correction of accounting error

The Group reversed accrued transaction costs of a long-term loan amounting to Baht 16.6 million, which were recorded as expenses and accrued expenses in the year 2009, to be other income in the statements of comprehensive income for the first quarter of 2010. However, according to the Group accounting policy the transaction costs should be recognised and presented as a deduction of the long-term loan. The Group corrected such error in the fourth quarter of 2010. As a result, the Group has made adjustments retrospectively to the consolidated and company statements of comprehensive income for the six-month period ended 30 June 2010, presented for comparative purposes. The effects from the correction are as follows:

	<u>Consolidated</u>	<u>Company</u>
Statements of comprehensive income for the six-month period ended 30 June 2010		
Other income decreased (Baht'000)	(16,601)	(16,601)
Profit for the period decreased (Baht'000)	(16,601)	(16,601)
Basic earnings per share decreased (Baht)	(0.01)	(0.01)
Diluted earnings per share decreased (Baht)	(0.01)	(0.01)

However, the correction of accounting error has no impact to the consolidated and company statements of comprehensive income for the three-month period ended 30 June 2010.



3 Basis of preparation of interim financial statements

These interim consolidated and company financial statements are prepared in accordance with Thai generally accepted accounting principles under the Accounting Act B.E. 2543, being those Thai Accounting Standards issued under the Accounting Professions Act B.E. 2547, and the financial reporting requirements of the Securities and Exchange Commission. The primary financial statements, which are statements of financial position, comprehensive income, changes in equity and cash flows, are prepared in the full format as required by the Securities and Exchange Commission. The notes to the interim financial statements are prepared in a condensed format in accordance with Thai Accounting Standard 34, "Interim Financial Reporting", and additional notes are presented as required by the Securities and Exchange Commission under the Securities and Exchange Act.

An English version of the interim consolidated and company financial statements has been prepared from the interim financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial statements shall prevail.

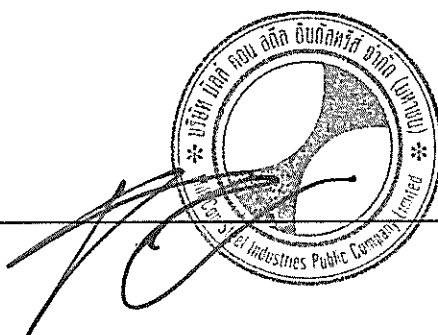
Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

4 Summary of significant accounting policies

The accounting policies used in the preparation of the interim financial statements are consistent with those used in the annual financial statements for the year ended 31 December 2010, except as described as follows.

Commencing 1 January 2011, the Group has applied the new accounting standards, new financial reporting standards, new interpretations of accounting standards and financial reporting standards and revised accounting standards (collectively "the accounting standards") that are effective for accounting periods beginning on or after 1 January 2011. In addition, the Group has changed the accounting policy related to the measurement of property, plant and equipment from the revaluation method to be the cost method and the accounting policy related to the recognition of derivative financial instruments. The impacts of application of the accounting standards and of the changes in accounting policies are described in Notes 4.1 to 4.3.

In addition, the Group has adopted the accounting policy related to the investment in an associate as described in Note 4.4.



4 Summary of significant accounting policies (Cont'd)

4.1 Impacts of the changes in accounting policies that are applied retrospectively to the financial statements

The Group has retrospectively applied the change in accounting policy related to the measurement of property, plant and equipment from the revaluation method to be the cost method and the change in accounting policy related to recognition of derivative financial instruments. The impacts of the changes on the consolidated and company statements of financial position as at 31 December 2010 and the consolidated and company statements of comprehensive income for the three-month and six-month periods ended 30 June 2010 are as follows:

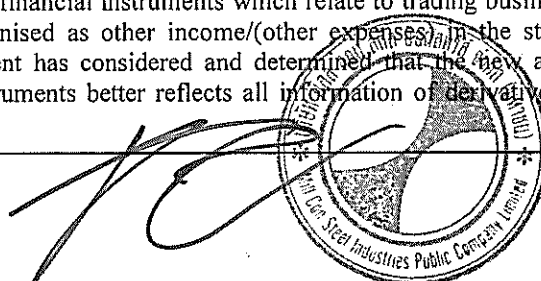
	Notes	Consolidated Baht'000 Increase/ (Decrease)	Company Baht'000 Increase/ (Decrease)
Statements of financial position as at 31 December 2010			
Derivative financial instruments (current assets)	4.1.2	31	-
Derivative financial instruments (non-current assets)	4.1.2	15,863	15,863
Property, plant and equipment, net	4.1.1	(406,582)	(387,101)
Derivative financial instruments (current liabilities)	4.1.2	(16,834)	(1,544)
Derivative financial instruments (non-current liabilities)	4.1.2	7,319	4,771
Revaluation surplus, net	4.1.1	(401,685)	(387,101)
Discount from changes in shareholding interest in a subsidiary, net	4.1.1	(1,642)	-
Non-controlling interests	4.1.1	(3,512)	-
Retained earnings as at 1 January 2010	4.1.1 - 4.1.2	(5,927)	(5,927)
Retained earnings as at 31 December 2010	4.1.1 - 4.1.2	(8,003)	9,548
Statements of comprehensive income for the three-month period ended 30 June 2010			
Other income	4.1.2	1,227	1,227
Profit for the period	4.1.2	1,227	1,227
Basic earnings per share (Baht)		-	-
Diluted earnings per share (Baht)		-	-
Statements of comprehensive income for the six-month period ended 30 June 2010			
Other income	4.1.2	3,332	3,332
Profit for the period	4.1.2	3,332	3,332
Basic earnings per share (Baht)		-	-
Diluted earnings per share (Baht)		-	-

4.1.1 Change in accounting policy for property, plant and equipment

The Group has changed its accounting policy related to measurement of property, plant and equipment from the revaluation method to be the cost method. The Group's management considered and determined that the cost method provides the Group's financial information to be comparable to other companies in the same industry and the new accounting policy complies with TAS 16 "Property, Plant and Equipment" (revised 2009).

4.1.2 Change in accounting policy related to recognition of derivative financial instruments

The Group has changed the accounting policy related to recognition of derivative financial instruments from not recognising the derivative financial instruments to recognising them in the financial statements on the inception. Subsequently the Group measures each derivative financial instrument at its fair value. Gains and losses on the derivative financial instruments which relate to borrowings are offset for financial reporting purposes and are recognised as finance costs in the statement of comprehensive income, whereas the gains and losses on the derivative financial instruments which relate to trading business are offset for financial reporting purposes and are recognised as other income/(other expenses) in the statement of comprehensive income. The Group's management has considered and determined that the new accounting policy for recognition of derivative financial instruments better reflects all information of derivative financial instruments the Group is party to.



4 Summary of significant accounting policies (Cont'd)

4.2 Impact of the application of a new accounting policy that is applied as an adjustment to opening retained earnings

New accounting policy for employee benefits (TAS 19 "Employee Benefits")

The Group has applied the new accounting policy in respect of employee benefits by adjusting to brought forward balance of retained earnings. The impacts of the application of such change on the consolidated and company statements of financial position as at 1 January 2011 are as follows.

	<u>Consolidated</u> Baht'000 Increase (Decrease)	<u>Company</u> Baht'000 Increase (Decrease)
Statements of financial position as at 1 January 2011		
- Retirement benefit obligations	8,067	2,682
- Retained earnings	(7,957)	(2,682)
- Non-controlling interests	(110)	-

New accounting policy for employee benefits

The Group has post-employment benefits consisting of both defined benefit and defined contribution plans. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods. A defined benefit plan is a pension plan that is not a defined contribution plan. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age of employee, years of service and compensation.

- Defined benefit plan - retirement benefit

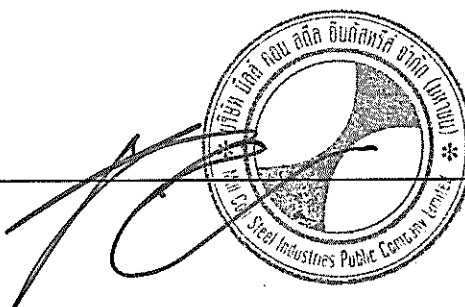
Under Labour Laws applicable in Thailand and the Group's employment policy, all employees completing 120 days of service are entitled to severance pay on termination or retrenchment without cause or upon retirement at the age of 60. The severance pay will be at the rate according to number of years of service as stipulated in the Labour Law which is currently at a maximum rate of 300 days of final salary.

- Defined contribution plan - provident fund

The Group operates a provident fund, being a defined contribution plan, the assets for which are held in a separate trust fund. The provident fund is funded by payments from employees and by the Group. The Group's contributions to the provident fund are charged to the statements of comprehensive income in the years to which they relate.

- Defined contribution plan - Employee Joint Investment Program

Started from 31 May 2011, the Group operates Employee Joint Investment Program, for the Group's employees to purchase the Company's shares through Employee Joint Investment Program, being a defined contribution plan, the assets for which are held in a separate agent. The Program is funded by payments from employees and by the Group. The Group's contributions to the Program are charged to the statements of comprehensive income in the years to which they relate.



4 Summary of significant accounting policies (Cont'd)

4.3 Impact of the change in accounting policy that is applied prospectively to the financial statements

Change in accounting policy for investments in subsidiaries (TAS 27 (revised 2009) "Consolidated and Separate Financial Statements" and TFRS 3 (revised 2009) "Business Combination")

The purchase method of accounting is used to account for the acquisition of subsidiaries by the Group, unless it is a combination involving entities or businesses under common control. All payments for an acquisition of a subsidiary, including contingent considerations, are recognised at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed on the acquisition date. Identifiable assets and liabilities from the acquisition of the subsidiary are measured initially at their fair values at the acquisition date. Subsequently, any changes in the fair value of the contingent consideration classified as a liability are recognised in profit or loss. All acquisition-related costs are expensed in the periods in which the costs are incurred.

The changes in a parent's ownership interests in a subsidiary, including all transactions with non-controlling interests that do not result in a loss of control, are to be accounted for in equity. When the Group loses control of a subsidiary, any investment retained in the former subsidiary is measured at its fair value and any gain or loss is recognised in profit or loss.

4.4 Additional accounting policy related to the investment in an associate

During the second quarter of 2011, the Group acquired 30% of ordinary share of Ocean Profit Co., Ltd. and accounts for this as investment in an associate. The Group Accounting Policy is as follow.

Associates are all entities over which the Group has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights. In the consolidated financial statement, investments in associates are accounted for using the equity method of accounting and are initially recognised at cost.

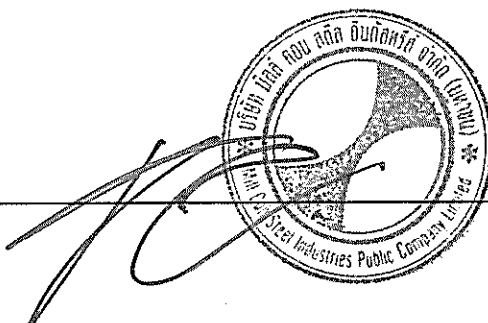
The Group's share of its associates' post-acquisition profits or losses is recognised in the statement of comprehensive income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Accounting policies of associates have been changed to ensure consistency with the policies adopted by the Group.

In the Company's financial statement, investments in associates are accounted for using the cost method.

A list of the Group's principal associates is set out in Note 11.



5 Changes in accounting estimates

During the first quarter of 2011, the Group's management reviewed and revised the estimated useful lives of fixed assets because the Group's management considered that the Group carries out regularly maintenance on the fixed assets, which increases the economic benefits of those assets. Therefore, the Group applied this change in accounting estimate to the calculation of depreciation for the carrying amounts of fixed assets as at 1 January 2011 and thereafter.

Fixed assets subject to a change their useful lives are listed as follows:

	New useful life 2011 Years	Previous useful life 2010 Years
Land improvements	5 - 20	5, 10
Buildings and building improvement	10 - 50	10 - 50
Machinery and equipment	5 - 50	5, 10
Motor vehicle	5, 13	5
Utilities system	50	10

The effects of the change in estimated useful lives of fixed assets to the consolidated and company statements of comprehensive income for the three-month and six-month periods ended 30 June 2011 are as follows:

	Consolidated Baht'000 Increase (decrease)	Company Baht'000 Increase (decrease)
For the three-month period ended 30 June 2011		
Depreciation charged for the period	(11,263)	(5,942)
Profit for the period	11,263	5,942
For the six-month period ended 30 June 2011		
Depreciation charged for the period	(22,843)	(12,267)
Profit for the period	22,843	12,267

6 New interpretations of accounting standards during the six-month period ended 30 June 2011

The following new interpretations were endorsed by the Government Gazette during the six-month period ended 30 June 2011.

- a) Effective for periods beginning on or after 1 January 2011

TSIC 31 Revenue - Barter Transactions Involving Advertising Services

The Group's management has assessed and determined that the aforementioned interpretation is currently not relevant to the Group.

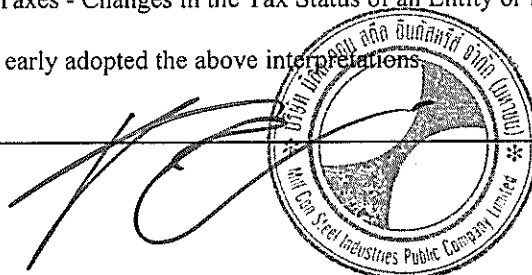
- b) Effective for periods beginning on or after 1 January 2013

TSIC 10 Government Assistance - No Specific Relation to Operating Activities

TSIC 21 Income Taxes - Recovery of Revalued Non-Depreciable Assets

TSIC 25 Income Taxes - Changes in the Tax Status of an Entity or its Shareholders

The Group has not early adopted the above interpretations.



7 Reported financial information by segments

The Group is principally engaged in manufacturing and trading steel products, both in Thailand and overseas. The Group does not disclose information in respect of geographical segments because revenue from overseas sales for the three-month and six-month periods ended 30 June 2011 were Baht 226.47 million and Baht 302.81 million, respectively, equivalent to 5.65% and 3.95%, respectively, of total sales of goods and services (for the three-month and six-month periods ended 30 June 2010: Baht 82.48 million and Baht 137.25 million, respectively, equivalent to 3.13% and 2.71%, respectively, of total sales of goods and services).

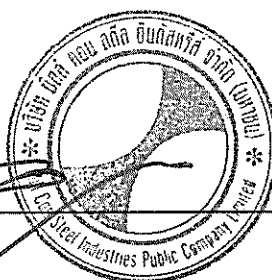
8 Trade accounts and notes receivable, net

Trade accounts and notes receivable as at 30 June 2011 and 31 December 2010 comprise the following:

	Consolidated		Company	
	30 June 2011 Baht'000	31 December 2010 Baht'000	30 June 2011 Baht'000	31 December 2010 Baht'000
Trade accounts receivable				
- third parties	1,208,607	1,190,202	1,178,908	1,111,293
- related parties (Note 9.3)	-	-	-	72,233
	1,208,607	1,190,202	1,178,908	1,183,526
Notes receivable				
- third parties	1,826,805	375,672	1,824,713	374,249
Total accounts and notes receivable	3,035,412	1,565,874	3,003,621	1,557,775
Less Allowance for doubtful accounts	(9,644)	(1,267)	(9,644)	(1,267)
Trade accounts and notes receivable, net	3,025,768	1,564,607	2,993,977	1,556,508

Trade accounts and notes receivable can be aged as follows:

	Consolidated		Company	
	30 June 2011 Baht'000	31 December 2010 Baht'000	30 June 2011 Baht'000	31 December 2010 Baht'000
Not yet due	2,591,854	1,299,817	2,573,176	1,366,309
Overdue not exceeding 3 months	430,278	234,206	417,277	182,413
Overdue 3 to 6 months	1,354	22,248	1,323	6,519
Overdue 6 to 12 months	4,820	9,552	4,789	2,534
Overdue more than 12 months	7,106	51	7,056	-
Total	3,035,412	1,565,874	3,003,621	1,557,775
Less Allowance for doubtful accounts	(9,644)	(1,267)	(9,644)	(1,267)
Trade accounts and notes receivable, net	3,025,768	1,564,607	2,993,977	1,556,508



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9 Related party transactions

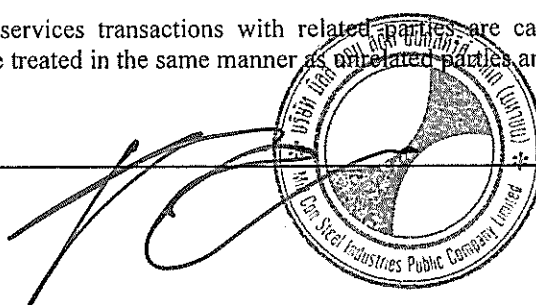
A group of individual shareholders who are members of the Company's management hold 26.59% interests in the Company's share capital. The Company's remaining shares are widely held.

The following transactions were carried out with related parties:

9.1 Revenues

For the three-month periods ended 30 June	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Sales of goods and services				
- Subsidiaries	-	-	508,562	386,672
- Related parties	-	99,050	-	-
Total sales of goods and services	-	99,050	508,562	386,672
Dividend income				
- A subsidiary	-	-	-	88,308
Income from disposals of fixed assets				
- A subsidiary	-	-	-	3,173
Rental income				
- A subsidiary	-	-	63	84
Interest income				
- Subsidiaries	-	-	-	335
For the six-month periods ended 30 June	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Sales of goods and services				
- Subsidiaries	-	-	1,271,109	765,730
- Related parties	-	262,157	-	87,830
Total sales of goods and services	-	262,157	1,271,109	853,560
Dividend income				
- A subsidiary	-	-	-	88,308
Income from disposals of fixed assets				
- A subsidiary	-	-	-	3,173
Rental income				
- A subsidiary	-	-	126	84
Interest income				
- Subsidiaries	-	-	-	468

Sale of goods and services transactions with related parties are carried out under commercial terms and conditions. They are treated in the same manner as unrelated parties and are presented at market price.



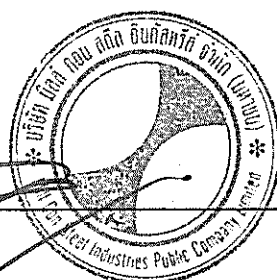
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9 Related party transactions (Cont'd)

9.2 Expenses

For the three-month periods ended 30 June	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Purchases of goods and services				
- Subsidiaries	-	-	1,135,338	474,187
- Related parties	419,536	446,898	402,787	423,971
Total purchases of goods and services	419,536	446,898	1,538,125	898,158
Directors' and management's remunerations				
- Short-term employee benefits	10,468	5,539	8,988	3,054
Interest expenses				
- Subsidiaries	-	-	-	17
For the six-month periods ended 30 June				
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Purchases of goods and services				
- Subsidiaries	-	-	2,157,531	593,222
- Related parties	709,889	669,684	678,021	629,917
Total purchases of goods and services	709,889	669,684	2,835,552	1,223,139
Directors' and management's remunerations				
- Short-term employee benefits	17,560	15,428	13,535	7,841
Interest expenses				
- Subsidiaries	-	-	-	34

Purchase of goods and services transactions and services with related parties are carried out under commercial terms and conditions. They are treated in the same manner as unrelated parties and are presented at market price.



Mill Con Steel Industries Public Company Limited
Condensed Notes to the Interim Consolidated and Company Financial Statements (Unaudited)
For the six-month periods ended 30 June 2011 and 2010

9 Related party transactions (Cont'd)

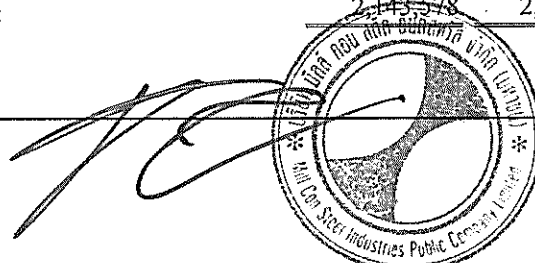
9.3 Outstanding balances arising from purchases and sales of goods and services

	Consolidated		Company	
	30 June 2011 Baht'000	31 December 2010 Baht'000	30 June 2011 Baht'000	31 December 2010 Baht'000
Trade accounts receivable				
- Subsidiaries (Note 8)	-	-	-	72,233
Advances to suppliers for purchases of goods				
- Subsidiaries	-	-	-	160,725
- Related parties	202,746	221,240	176,268	162,893
Total advances to suppliers for purchases of goods	202,746	221,240	176,268	323,618
Advance to subsidiaries				
- Subsidiaries	-	-	12,582	-
Other current assets				
- Subsidiaries	-	-	-	13,166
- Related parties	3,295	3,295	3,295	3,295
Total other current assets	3,295	3,295	3,295	16,461
Trade accounts payable				
- Subsidiaries	-	-	460,117	-
Other current liabilities				
- Subsidiaries	-	-	11,803	5,229
- Related parties	-	457	-	457
Total other current liabilities	-	457	11,803	5,686

10 Inventories, net

Inventories as at 30 June 2011 and 31 December 2010 comprise the following:

	Consolidated		Company	
	30 June 2011 Baht'000	31 December 2010 Baht'000	30 June 2011 Baht'000	31 December 2010 Baht'000
Raw materials	806,323	427,853	655,744	371,831
Spare parts and supplies	47,063	71,372	28,048	51,903
Semi-finished goods	33,067	26,042	33,067	26,041
Finished goods	1,055,264	1,517,160	447,703	578,805
	1,941,717	2,042,427	1,164,562	1,028,580
<u>Less</u> Allowance for net realisable value of inventories				
- Raw material	(48)	(182)	(48)	(129)
- Semi-finished goods	(27)	(44)	(27)	(44)
- Finished goods	(10,477)	(2,376)	(9,078)	(563)
	1,931,165	2,039,825	1,155,409	1,027,844
Goods in transit	212,413	-	212,413	-
Total inventories, net	2,143,578	2,039,825	1,367,822	1,027,844



11 Investments in subsidiaries and an associate

11.1 Movements of net book amount of investments in subsidiaries for the six-month period ended 30 June 2011 can be analysed as follows:

	<u>Company Baht'000</u>
Opening net book amount	2,166,890
Acquisition of additional investment in Mill Con Burapa Co., Ltd. (formerly BRP Steel Co., Ltd.)	
- payments of share subscription	206,402
- investment in newly issued ordinary shares	155,823
	<u>2,529,115</u>
Closing net book amount	<u>2,529,115</u>

Additional investment in a subsidiary - Mill Con Burapa Co., Ltd.

In the first and the second quarters of 2011, Mill Con Burapa Co., Ltd. (formerly BRP Steel Co., Ltd.) called for additional paid-up share capital, totaling Baht 206.40 million.

On 15 and 17 June 2011, the Company acquired additional ordinary shares of Mill Con Burapa Co., Ltd. (formerly BRP Steel Co., Ltd.), its subsidiary, of Baht 126.29 million and Baht 29.53 million, respectively, as Mill Con Burapa Co., Ltd. increased its registered share capital by 31,164,529 shares at Baht 5 per share, totaling Baht 155.82 million. This resulted in the shareholding interest in Mill Con Burapa Co., Ltd. increased from 98.64% to 98.73%. Consequently, the Company recorded share discount from changes in shareholding interest in subsidiary of Baht 0.70 million and the non-controlling interests increased by Baht 0.70 million.

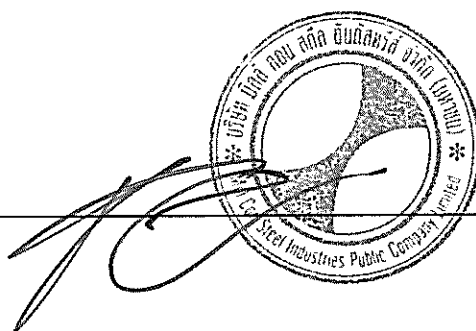
11.2 Movements of net book amount of investments in an associate for the six-month period ended 30 June 2011 can be analysed as follows:

	<u>Consolidated Baht'000</u>	<u>Company Baht'000</u>
Opening net book amount	-	-
Purchase of ordinary shares of Ocean Profit Co., Ltd.	3,000	3,000
Share of losses from an associate	(6)	-
	<u>2,994</u>	<u>3,000</u>
Closing net book amount	<u>2,994</u>	<u>3,000</u>

Investment in ordinary share of Ocean Profit Co., Ltd.

At the Board of Directors' meeting on 13 May 2011, it was unanimously resolved for the Company to invest in 30% of registered share capital of Ocean Profit Co., Ltd. In case Ocean Profit Co., Ltd. increases its share capital, the Group will additionally invest to maintain the same shareholding interest portion but not exceeding Baht 30 million.

On 3 and 29 June 2011, the Company acquired ordinary shares of Ocean Profit Co., Ltd. at 30% of registered share capital, equivalent to totaling Baht 3 million.



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11 Investments in subsidiaries and an associate (Cont'd)

11.3 The details of investments in subsidiaries incorporated in Thailand are as follows:

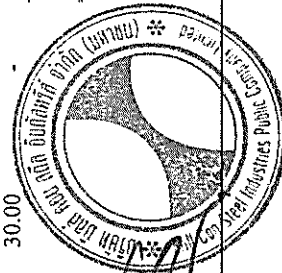
Subsidiaries	Nature of business	Paid-up share capital		Shareholding interest		Company investment at cost	
		30 June 2011 (Baht'000)	31 December 2010 (Baht'000)	30 June 2011 (Percentage)	31 December 2010 (Percentage)	30 June 2011 (Baht'000)	31 December 2010 (Baht'000)
Mill Con Burapa Co., Ltd. (formerly BRP Steel Co., Ltd.) (*)	Manufacture and distribution of round bars, deformed bars and structural steel	2,399,999	2,037,775	98.73	98.64	2,524,115	2,161,890
Million Miles Co., Ltd. (**)	Transportation service	5,000	5,000	99.99	99.99	5,000	5,000
						2,529,115	2,166,890

(*) At the Board of Directors' Meeting of BRP Steel Co., Ltd. no. 2/2011 held on 30 March 2011, the directors passed resolutions to approve the change in the company's name from BRP Steel Co., Ltd. to Mill Con Burapa Co., Ltd. BRP Steel Co., Ltd. registered the change with the Ministry of Commerce on 11 May 2011.

(**) At the Extraordinary Meeting of Shareholders of Million Miles Co., Ltd. no. 1/2011 held on 23 May 2011, the shareholders passed resolutions to approve the change in the company's name in Thai language. Million Miles registered the change with the Ministry of Commerce on 30 May 2011. However, the Company's name in English remained unchanged.

11.4 The details of investment in an associate incorporated in Thailand are as follows:

Associate	Nature of business	Paid-up share capital		Shareholding interest		Consolidated investment at equity method		Company investment at cost	
		30 June 2011 (Baht'000)	31 December 2010 (Baht'000)	30 June 2011 (Percentage)	31 December 2010 (Percentage)	30 June 2011 (Baht'000)	31 December 2010 (Baht'000)	30 June 2011 (Baht'000)	31 December 2010 (Baht'000)
Ocean Profit Co., Ltd.	Wholesale of steel products	10,000	-	30.00	-	2,994	-	3,000	-
						2,994	-	3,000	-



12 Property, plant, equipment and intangible assets

12.1 Movements of property, plant, equipment and intangible assets for the six-month period ended 30 June 2011 are as follows:

	Consolidated		Company	
	Property, plant and equipment Baht'000	Intangible assets Baht'000	Property, plant and equipment Baht'000	Intangible assets Baht'000
Opening net book amount - as previously reported	3,729,466	73,113	1,262,583	3,487
<u>Less</u> Effects from changes in accounting policies (Note 4)	(406,582)	-	(387,101)	-
Opening net book amount - as restated	3,322,884	73,113	875,482	3,487
Additions	1,457,811	2,621	206,151	1,404
Depreciation/amortisation charges	(33,458)	(5,423)	(11,414)	(60)
Disposals - cost	(4,196)	-	(536)	-
- accumulated depreciation	4,160	-	500	-
Assets written off - cost	(2,794)	-	(2,266)	-
- accumulated depreciation	1,329	-	850	-
Closing net book amount	4,745,736	70,311	1,068,767	4,831

During the six-month period ended 30 June 2011, the finance costs of Baht 40.48 million arising from financing specifically entered into for the construction of plant were capitalised during the period and included in additions. A capitalisation rate of 6.20% - 7.57% per annum was used representing the actual borrowing costs of the loans used to finance the project.

12.2 Collateral for overdrafts, long-term loans and working capital facilities from banks and financial institutions

As at 30 June 2011 and 31 December 2010, the Group had mortgaged and pledged the following part of the land, buildings and machinery to banks as collateral for overdrafts, long-term loans and working capital facilities from banks and financial institutions.

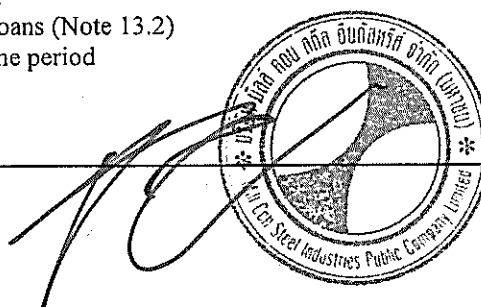
	Net book value (Baht'000)	
	30 June 2011	31 December 2010
Land, buildings and machinery of Mill Con Steel Industries Public Company Limited	844,955	787,252
Land, buildings and machinery of a subsidiary - Mill Con Burapa Co., Ltd.	364,439	366,832

13 Loans from financial institutions

13.1 Short-term loans from financial institutions

Movements of short-term loans from financial institutions for the six-month period of 30 June 2011 comprise the following:

	Consolidated Baht'000	Company Baht'000
Beginning balance	3,805,249	3,050,316
Loans made during the period	8,615,481	6,665,419
Reclassified from long-term loans (Note 13.2)	1,721,466	627,729
Repayments of loans during the period	(8,593,585)	(6,788,652)
Ending balance	5,548,611	3,554,812



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13 Loans from financial institutions (Cont'd)

13.1 Short-term loans from financial institutions (Cont'd)

Short-term loans from financial institutions as at 30 June 2011 and 31 December 2010 comprise the following:

	Consolidated		Company	
	30 June 2011 Baht'000	31 December 2010 Baht'000	30 June 2011 Baht'000	31 December 2010 Baht'000
Short-term loans - promissory note	3,093,135	2,707,606	2,353,134	1,977,606
Short-term loans - trust receipt	734,010	1,097,643	573,949	1,072,710
Short-term loans net of transaction cost (Note 13.2)	1,721,466	-	627,729	-
Total short-term loans from financial institutions	5,548,611	3,805,249	3,554,812	3,050,316

Short-term loans from financial institutions of the Company

As at 30 June 2011, short-term loans from promissory note of Baht 2,353 million and from trust receipt of Baht 574 million bear interests at the rate of MLR less 1.00% discount per annum. The loans are secured by land, buildings, machinery and the Company's director (31 December 2010 : short-term loans from promissory note of Baht 1,978 million and from trust receipt of Baht 1,073 million bear interests at the rate of MLR less 1.00% discount per annum. The loans are secured by land, buildings, machinery and the Company's director).

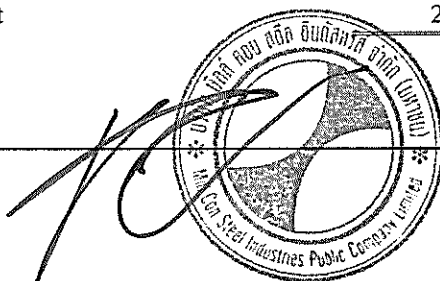
Short-term loans from financial institutions of a subsidiary

As at 30 June 2011, short-term loans from promissory note of Baht 740 million and from trust receipt of Baht 161 million bear interests at the rate of MLR less 1.00% discount per annum. The loans are secured by land, buildings, machinery, fixed deposits at financial institutions and the Company's director (31 December 2010 : short-term loans from promissory note of Baht 730 million and from trust receipt of Baht 25 million bear interests at the rate of MLR less 0.75% discount per annum. The loans are secured by land, buildings, machinery, fixed deposits at financial institutions and the Company's director).

13.2 Long-term loans from financial institutions

Long-term loans from financial institutions are due for repayments as follows:

	Consolidated		Company	
	30 June 2011 Baht'000	31 December 2010 Baht'000	30 June 2011 Baht'000	31 December 2010 Baht'000
Current portion of long-term loans (Thai Baht currency)	15,000	15,000	15,000	15,000
Loans due later than 1 year				
- Thai Baht currency	7,250	296,394	7,250	14,750
- Euro currency	-	563,450	-	563,450
	22,250	859,844	22,250	578,200
Transaction costs, net	-	(25,448)	-	-
Loans due later than 1 year, net	22,250	834,396	22,250	578,200
Total long-term loans from financial institutions, net	22,250	849,396	22,250	598,200



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13 Loans from financial institutions (Cont'd)

13.2 Long-term loans from financial institutions (Cont'd)

The movements in book value of long-term loans from financial institutions for the six-month period ended 30 June 2011 comprise the following:

	Consolidated Baht'000	Company Baht'000
Beginning balance	849,396	593,200
Loans made during the period	845,362	-
Repayments of long-term loans during the period	(7,500)	(7,500)
Transaction cost, net	(7,821)	-
Unrealised loss on exchange rate	64,279	64,279
Reclassified to short-term loans (Note 13.1)	(1,721,466)	(627,729)
Ending balance	<u>22,250</u>	<u>22,250</u>

From the calculation of financial ratios as at 30 June 2011, the Group noted that some of the financial ratios were not complied with the financial covenants specified in the long-term loans agreements. The Group has, therefore, reclassified the long-term loans which may become due and payable on demand to present as current liabilities in accordance with Thai Accounting Standard No. 1: Presentation of Financial Statements. If the Group would be able to maintain the financial ratios according to the long-term loan agreements, the loans would be reclassified back to non-current liabilities.

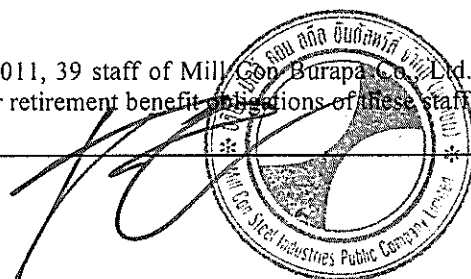
13.3 Unutilised credit facilities comprise the following:

	Consolidated			
	30 June 2011		31 December 2010	
	Long-term loan facilities Baht' 000	Working capital facilities Baht' 000	Long-term loan facilities Baht' 000	Working capital facilities Baht' 000
Fixed rate				
- draw down with no time limitation	190,682	-	140,862	-
Floating rate				
- draw down with no time limitation	54,460	1,442,917	1,618,356	140,119
	<u>245,142</u>	<u>1,442,917</u>	<u>1,759,218</u>	<u>140,119</u>
	Company			
	30 June 2011		31 December 2010	
	Long-term loan facilities Baht' 000	Working capital facilities Baht' 000	Long-term loan facilities Baht' 000	Working capital facilities Baht' 000
Fixed rate				
- draw down with no time limitation	190,682	-	140,862	-
Floating rate				
- draw down with no time limitation	-	1,442,917	-	119,684
	<u>190,682</u>	<u>1,442,917</u>	<u>140,862</u>	<u>119,684</u>

14 Retirement benefit obligations

	Consolidated Baht'000	Company Baht'000
For the six-month period ended 30 June 2011		
Opening balance for the period (Note 4.2)	8,067	2,682
Retirement benefit expenses	743	323
Transfer of staff from a subsidiary	-	3,360
Closing balance for the period	<u>8,810</u>	<u>6,365</u>

During the second quarter of 2011, 39 staff of Mill Con Steel Industries Public Company Limited were transferred to the Company. The Company is responsible for retirement benefit obligations of these staff.



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15 Share capital

The movements of share capital for the six-month period ended 30 June 2011 comprise the following:

	Number of registered shares		Number of issued and paid-up shares		Issued and paid-up shares			
	Ordinary shares Shares'000	Preferred shares Shares'000	Ordinary shares Shares'000	Preferred shares Shares'000	Ordinary shares Baht'000	Preferred shares Baht'000	Premium on ordinary shares Baht'000	Premium on preferred shares Baht'000
As at 31 December 2009	859,000	-	573,000	-	573,000	-	731,608	-
Issue of shares during the year	1,144,058	763,359	-	288,198	-	115,279	-	1,065,395
Decrease par value	1,038,900	-	859,500	-	-	-	-	-
Decrease of number of shares (929,759)	-	(218,750)	-	-	-	-	-	-
Dividend paid by issue of ordinary shares	-	-	133,963	-	53,585	-	-	-
As at 31 December 2010	2,112,199	544,609	1,566,463	288,198	626,585	115,279	731,608	1,065,395
Issue of shares during the period	-	-	-	6,666	-	2,667	-	24,493
Decrease of number of shares	-	(249,745)	-	-	-	-	-	-
As at 30 June 2011	2,112,199	294,864	1,566,463	294,864	626,585	117,946	731,608	1,089,888

As at 30 June 2011, the authorised shares comprise 2,112,199,419 ordinary shares (31 December 2010 : 2,112,199,420 ordinary shares) with a par value of Baht 0.40 per share (31 December 2010 : par value of Baht 0.40 per share), totaling Baht 845 million (31 December 2010 : Baht 845 million), and 294,864,171 preferred shares (31 December 2010 : 544,608,960 preferred shares) with a par value of Baht 0.40 per share (31 December 2010 : par value of Baht 0.40 per share), totaling Baht 118 million (31 December 2010 : Baht 218 million).

Preferred shares have the right to obtain a dividend at the rate of 5% per annum. The term of preferential right of the preferred shares is 5 years from the issued and sold date. Upon the completion of such period, the preferential right of preferred shares shall immediately expire. The preferred shares will be converted into ordinary shares and the right of those share will be the same as that of ordinary shares.

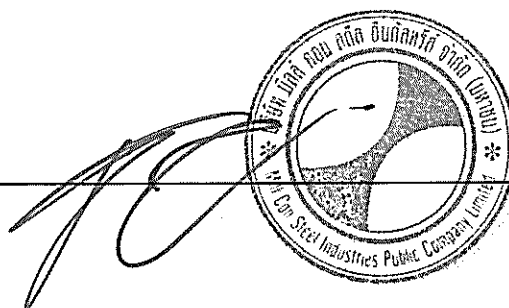
At the General Shareholders' meeting of the Company held on 22 April 2011, shareholders passed a resolution to approve the decrement in the Company's authorised share capital from Baht 1,062,723,352 to Baht 962,825,436 by cancelling the Company's unissued Group A preferred shares of 149,744,789 shares and Group B preferred shares of 100,000,000 shares and an ordinary share. The total reduction of authorised share capital is Baht 99,897,916. The Company registered the reduction with the Ministry of Commerce on 18 May 2011.

As at 30 June 2011, the cumulative preference share dividends amounting to Baht 31 million (31 December 2010 : Baht 2 million) have not been provided because the Company did not declare any dividends.

During the year 2008, the Company issued warrants to the Company's shareholders and directors and employees of 119,600,000 units. The exercise ratio is 1 warrant per 2.734 ordinary shares and the exercise price is Baht 1.829 per share. The warrants are expired in February 2014.

16 Dividend paid

At the General Shareholders' meeting of the Company held on 22 April 2011, the shareholders passed a resolution to approve the payment of dividends for the year 2010 to ordinary shareholders of Baht 0.04 per share. However, the Company had paid for interim dividend at the rate of Baht 0.03 per share to the shareholders on 12 November 2010. The remaining dividend at the rate of Baht 0.01 per share, totaling Baht 15,664,630, were already paid to shareholders during May and June 2011.



17 Financial instruments

Forward foreign exchange contracts

Forward foreign exchange contracts have been entered into to manage exposure to fluctuations in foreign currency exchange rates on accounts receivable, loans and accounts payable denominated in foreign currencies.

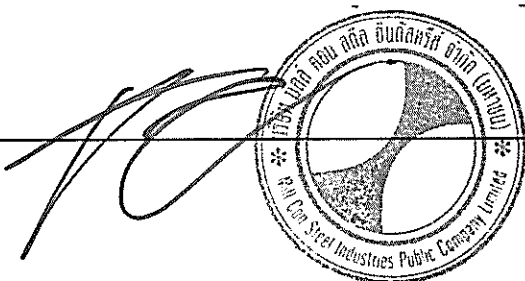
Foreign exchange forward contracts

	Consolidated		Company	
	30 June 2011	31 December 2010	30 June 2011	31 December 2010
Euro				
- Average exchange rate (Baht/Euro)	39.39 - 44.43	39.43 - 42.40	40.04 - 42.80	40.04 - 41.33
- Amount in Euro (in thousand)	35,998	41,278	15,000	14,000
- Amount in local currency (Thousand Baht)	1,479,078	1,689,673	614,157	571,477
US Dollar				
- Average exchange rate (Baht/USD)	30.28 - 30.42	29.78 - 31.09	30.28 - 30.42	29.78 - 31.09
- Amount in USD (in thousand)	2,200	14,379	2,200	13,979
- Amount in local currency (Thousand Baht)	66,737	429,287	66,737	425,504
Australia dollar				
- Average exchange rate(Baht/AUD)	-	28.50 - 29.07	-	-
- Amount in AUD (in thousand)	-	150	-	-
- Amount in local currency (Thousand Baht)	-	7,777	-	-

Net fair values

The net fair values of derivative financial instruments as at 30 June 2011 and 31 December 2010 comprise the following:

	Consolidated			
	30 June 2011		31 December 2010	
	Foreign currency amounts in thousand	Fair values favourable (unfavourable) Baht'000	Foreign currency amounts in thousand	Fair values favourable (unfavourable) Baht'000
Derivative financial instruments (assets)				
- Foreign exchange forward contracts				
Euro				
- Current	17,248	59,894	-	-
- Non-current	17,750	68,266	9,800	15,863
US Dollar				
- Current	2,200	1,730	-	-
Australia Dollar				
- Current	-	-	150	31
Derivative financial instruments (liabilities)				
- Foreign exchange forward contracts				
Euro				
- Current	1,000	(1,605)	20,748	(15,063)
- Non-current	-	-	10,730	(7,319)
US Dollar				
- Current	-	-	14,379	(1,771)



17 Financial instruments (Cont'd)

Net fair values (Cont'd)

The net fair values of derivative financial instruments as at 30 June 2011 and 31 December 2010 comprise the following:

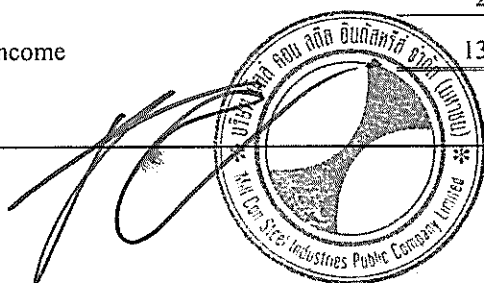
	Company			
	30 June 2011		31 December 2010	
	Foreign currency amounts in thousand	Fair values favourable (unfavourable) Baht'000	Foreign currency amounts in thousand	Fair values favourable (unfavourable) Baht'000
Derivative financial instruments (assets)				
- Foreign exchange forward contracts				
Euro				
- Non-current	14,000	54,271	9,800	15,863
US Dollar				
- Current	2,200	1,730	-	-
Derivative financial instruments (liabilities)				
- Foreign exchange forward contracts				
Euro				
- Current	1,000	(1,605)	-	-
- Non-current	-	-	4,200	(4,771)
US Dollar				
- Current	-	-	13,979	(1,544)

The fair value of forward foreign exchange contracts is determined by the market rate of each contract which is calculated by financial institutions dealing with the Group at the date of the statement of financial position.

18 Other income

Other income for the three-month and six-month periods ended 30 June 2011 and 2010 comprise the following:

	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
For the three-month periods ended 30 June				
Interest income	1,642	397	1,339	618
Net fair value gain from derivative financial instruments	14,640	16,951	2,725	1,227
Net gain (loss) on exchange rate	13,929	364	(3,151)	4,641
Others	17,549	8,250	16,809	8,391
Total other income	47,760	25,962	17,722	14,877
For the six-month periods ended 30 June				
Interest income	2,595	3,295	2,152	3,609
Net fair value gain from derivative financial instruments	94,972	7,202	3,275	3,332
Net gain (loss) on exchange rate	14,939	9,159	(2,244)	9,543
Others	26,812	13,774	23,548	11,604
Total other income	139,318	33,430	26,731	28,088



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19 Finance costs

Finance costs for the three-month and six-month periods ended 30 June 2011 and 2010 comprise the following:

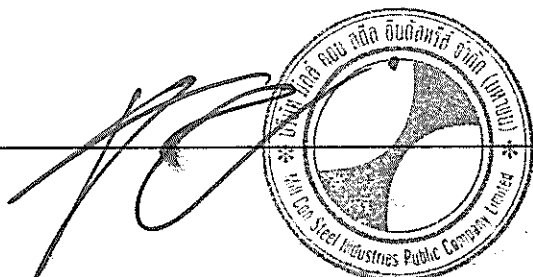
	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
For the three-month periods ended 30 June				
Interest expenses	70,463	47,200	71,588	35,944
Amortisation of transaction costs of long-term loans	3,515	-	-	-
Bank charge	14,533	5,927	14,533	5,926
Net loss from foreign exchange rate for loans and accrued interests	23,320	-	23,320	-
Net fair value (gain) from derivative financial instruments	(16,419)	-	(16,419)	-
Total finance costs	95,412	53,127	93,022	41,870
For the six-month periods ended 30 June				
Interest expenses	130,536	88,668	132,412	64,815
Amortisation of transaction costs of long-term loans	5,342	-	-	-
Bank charge	19,350	12,993	19,350	12,993
Net loss from foreign exchange rate for loans and accrued interests	64,486	-	64,486	-
Net fair value (gain) from derivative financial instruments	(41,572)	-	(41,572)	-
Total finance costs	178,142	101,661	174,676	77,808

20 Basic earnings per share

Basic earnings per share and diluted earnings per share for the three-month and six-month periods ended 30 June 2011 and 2010 is as follows;

The basic earnings per share is calculated by dividing the profit for the period attributable to shareholders after deduction of the preference shares dividend by the weighted average number of ordinary shares in issue during the period.

	Consolidated		Company	
	2011	2010	2011	2010
For the three-month periods ended 30 June				
Basic earnings per share				
Profit attributable to shares (Baht'000)	102,764	57,920	69,452	139,769
<u>Less</u> Dividend of preference share (Baht'000)	<u>(15,726)</u>	<u>(10,608)</u>	<u>(15,726)</u>	<u>(10,608)</u>
Profit attributable to ordinary shareholders (Baht'000)	87,038	47,312	53,726	129,161
Weighted average number of ordinary shares in issue (Share'000)	1,566,463	1,432,500	1,566,463	1,432,500
Basic earnings per share (Baht per share)	0.06	0.03	0.03	0.09



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20 Basic earnings per share (Cont'd)

Basic earnings per share and diluted earnings per share for the three-month and six-month periods ended 30 June 2011 and 2010 is as follows:

For the six-month periods ended 30 June	Consolidated		Company	
	2011	2010	2011	2010
Basic earnings per share				
Profit attributable to shares (Baht'000)	259,502	66,364	126,699	148,196
<u>Less</u> Dividend of preference share (Baht'000)	<u>(31,226)</u>	<u>(11,806)</u>	<u>(31,226)</u>	<u>(11,806)</u>
Profit attributable to ordinary shareholders (Baht'000)	228,276	54,558	95,473	136,390
Weighted average number of ordinary shares in issue (Share'000)	1,566,463	1,432,500	1,566,463	1,432,500
Basic earnings per share (Baht per share)	0.15	0.04	0.06	0.10

The diluted earnings per share is calculated adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: convertible preferred shares and warrants. The convertible preferred shares are assumed to have been converted into ordinary shares. For the warrant, a calculation is made to determine the number of shares that could have been acquired at fair value (determined as the average annual market price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options. The number of shares calculated as above is compared with the number of shares that would have been issued assuming the exercise of the warrant. The difference is added to the denominator as an issue of ordinary shares for no consideration. No adjustment is made to earnings.

For the three-month periods ended 30 June	Consolidated		Company	
	2011	2010	2011	2010
Diluted earnings per share				
Profit attributable to shareholders (Baht'000)	87,038	47,312	53,726	129,161
Weighted average number of ordinary shares in issue (Share'000)	1,566,463	1,432,500	1,566,463	1,432,500
Adjusted for				
- warrants (Share'000)	24,963	66,530	24,963	66,530
Weighted average number of ordinary shares for diluted earnings per share (Share'000)	1,591,426	1,499,030	1,591,426	1,499,030
Diluted earnings per share (Baht per share)	0.05	0.03	0.03	0.09

For the six-month periods ended 30 June	Consolidated		Company	
	2011	2010	2011	2010
Diluted earnings per share				
Profit attributable to shareholders (Baht'000)	228,276	54,558	95,473	136,390
Weighted average number of ordinary shares in issue (Share'000)	1,566,463	1,432,500	1,566,463	1,432,500
Adjusted for				
- warrants (Share'000)	24,963	66,530	24,963	66,530
Weighted average number of ordinary shares for diluted earnings per share (Share'000)	1,591,426	1,499,030	1,591,426	1,499,030
Diluted earnings per share (Baht per share)	0.14	0.03	0.06	0.09



21 Guarantees

21.1 Guarantee contract

Guarantee contract of the Company as at 30 June 2011 and 31 December 2010 comprise the following:

	Consolidated		Company	
	30 June 2011 Million Baht	31 December 2010 Million Baht	30 June 2011 Million Baht	31 December 2010 Million Baht
Guarantee of a subsidiary's liabilities	36	36	36	36

21.2 Bank guarantee

As at 30 June 2011 and 31 December 2010, the local bank had issued letters of guarantee on behalf of the Group as follows:

	Consolidated		Company	
	30 June 2011 Million Baht	31 December 2010 Million Baht	30 June 2011 Million Baht	31 December 2010 Million Baht
In respect of electricity usage	18	18	12	12

22 Commitments

As at 30 June 2011 and 31 December 2010, the Group had commitments but had not yet recognised in the interim consolidated and company financial statements as follows:

	Consolidated		Company	
	30 June 2011 Million Baht	31 December 2010 Million Baht	30 June 2011 Million Baht	31 December 2010 Million Baht
Capital commitments	961	1,449	16	4
Operating lease commitments	29	31	15	18
Letter of credit for purchase of goods commitments				
- Thai Baht	-	38	-	38
- US Dollar	-	2	-	2
Service contract commitments	6	2	3	-

23 Subsequent event

Operating lease commitments

On 1 August 2011, the Company has entered into an operating lease agreements with Mill Con Burapa Co., Ltd. in order to rent buildings and machines. The rental period is 3 years starting from 1 August 2011 to 31 July 2014. The total rental expenses throughout the rental period is Baht 69 million.

