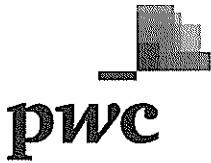


MILL CON STEEL INDUSTRIES PUBLIC COMPANY LIMITED

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

31 MARCH 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 31 March 2011, and the related consolidated and company statements of comprehensive income, changes in equity and cash flows for the three-month period ended 31 March 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 three-month period ended 31 March 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 May 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, changes in equity and cash flows for the three-month period ended 31 March 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 standard as announced by the Federation of Accounting Professions and has changed accounting policies in respect of property, plant and equipment and of 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 period ended 31 March 2010, presented for comparative purposes, are 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 Limited

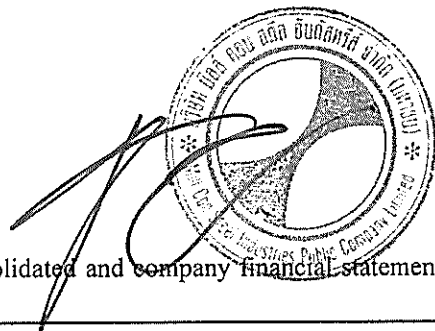
Bangkok
16 May 2011

Mill Con Steel Industries Public Company Limited

Statements of Financial Position

As at 31 March 2011 and 31 December 2010

	Notes	Consolidated		Company	
		(Restated)		(Restated)	
		Unaudited	Audited	Unaudited	Audited
		31 March 2011	31 December 2010	31 March 2011	31 December 2010
		Baht'000	Baht'000	Baht'000	Baht'000
Assets					
Current assets					
Cash and cash equivalents		150,216	189,903	129,423	175,609
Restricted deposits at financial institutions		170,000	150,000	170,000	150,000
Trade accounts and notes receivable, net	8, 9.3	2,511,130	1,564,607	2,669,645	1,556,508
Inventories, net	10	2,241,702	2,039,825	1,268,343	1,027,844
Advances to suppliers for purchases of goods	9.3	762,301	615,621	656,674	717,999
Derivative financial instruments, net	16	60,903	-	-	-
Other current assets	9.3	418,549	409,373	105,855	100,567
Total current assets		6,314,801	4,969,329	4,999,940	3,728,527
Non-current assets					
Restricted deposits at financial institutions		273,876	273,440	233,776	233,340
Derivative financial instruments, net	16	36,324	8,544	36,324	11,092
Investment in subsidiaries	11	-	-	2,312,585	2,166,890
Other long-term investment, net		3,534	3,544	-	-
Property, plant and equipment, net	12.1	3,751,929	3,322,884	969,338	875,482
Intangible assets, net	12.1	71,918	73,113	4,205	3,487
Other non-current assets		5,492	7,321	3,702	4,550
Total non-current assets		4,143,073	3,688,846	3,559,930	3,294,841
Total assets		10,457,874	8,658,175	8,559,870	7,023,368

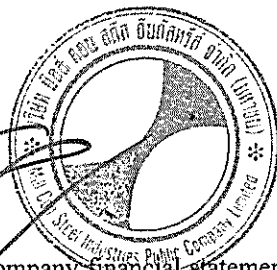


Pirom Sompayon

The notes to the interim consolidated and company financial statements on pages 11 to 28 are an integral part of these interim financial statements.

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

	Notes	Consolidated		Company	
		(Restated)		(Restated)	
		Unaudited	Audited	Unaudited	Audited
		31 March 2011 Baht'000	31 December 2010 Baht'000	31 March 2011 Baht'000	31 December 2010 Baht'000
Liabilities and equity					
Current liabilities					
Short-term loans from financial institutions	13.1	3,638,939	3,805,249	2,893,230	3,050,316
Short-term loans from discounted bills		1,856,070	515,234	1,856,069	515,234
Trade accounts payable	9.3	402,587	148,659	316,049	110,269
Advances from customers for sales of goods	9.3	141,809	75,170	109,519	60,497
Current portion of long-term loan	13.2	15,000	15,000	15,000	15,000
Current portion of liabilities under finance leases, net		8,015	7,954	-	-
Current portion of import tax and duty payable		2,814	2,814	-	-
Derivative financial instruments, net	16	-	16,803	1,073	1,544
Other current liabilities	9.3	160,246	166,990	41,100	37,297
Total current liabilities		6,225,480	4,753,873	5,232,040	3,790,157
Non-current liabilities					
Liabilities under finance leases, net		34,597	36,514	-	-
Long-term loans, net	13.2	1,007,295	834,396	615,410	578,200
Retirement benefit obligations	14	8,439	-	2,844	-
Total non-current liabilities		1,050,331	870,910	618,254	578,200
Total liabilities		7,275,811	5,624,783	5,850,294	4,368,357



Prem Sawpayon

The notes to the interim consolidated and company financial statements on pages 11 to 28 are an integral part of these interim financial statements.

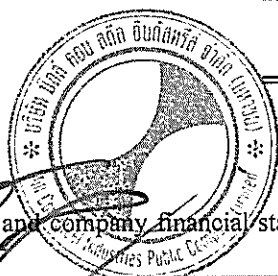
Mill Con Steel Industries Public Company Limited

Statements of Financial Position (Cont'd)

As at 31 March 2011 and 31 December 2010

	Consolidated		Company	
	(Restated)		(Restated)	
	Unaudited	Audited	Unaudited	Audited
	31 March	31 December	31 March	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, 544,608,960 shares of par Baht 0.40 each	217,843	217,843	217,843	217,843
- Ordinary shares, 2,112,199,420 shares of par Baht 0.40 each	844,880	844,880	844,880	844,880
	<u>1,062,723</u>	<u>1,062,723</u>	<u>1,062,723</u>	<u>1,062,723</u>
Issued and paid-up share capital				
Issued and paid-up share capital	15			
- Preferred shares, 288,197,571 shares of par Baht 0.40 each	115,279	115,279	115,279	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 share capital	15			
Premium on preferred shares	1,065,395	1,065,395	1,065,395	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	620,920	473,534	141,878	87,448
Other components of equity				
	(39,638)	(39,638)	-	-
Total owners of the parent	<u>3,148,980</u>	<u>3,001,459</u>	<u>2,709,576</u>	<u>2,655,011</u>
Non-controlling interests	33,083	31,933	-	-
Total equity	<u>3,182,063</u>	<u>3,033,392</u>	<u>2,709,576</u>	<u>2,655,011</u>
Total liabilities and equity	<u>10,457,874</u>	<u>8,658,175</u>	<u>8,559,870</u>	<u>7,023,368</u>

The notes to the interim consolidated and company financial statements on pages 11 to 28 are an integral part of these interim financial statements.

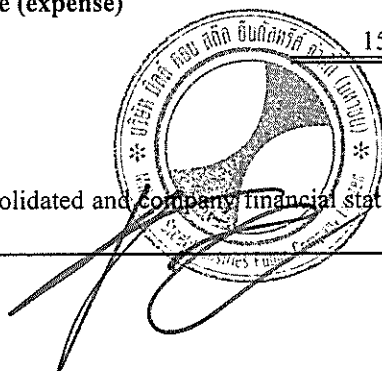


Pirom Saopayon

Mill Con Steel Industries Public Company Limited
 Statements of Comprehensive Income (Unaudited)
 For the three-month periods ended 31 March 2011 and 2010

	Notes	Consolidated		Company	
		2011 Baht'000	(Restated) 2010 Baht'000	2011 Baht'000	(Restated) 2010 Baht'000
Revenues					
Sale of goods and services	9.1	3,666,233	2,419,012	4,280,195	2,352,445
Other income	9.1, 17	91,558	7,467	9,009	1,356
Total revenues		3,757,791	2,426,479	4,289,204	2,353,801
Expenses					
Cost of sales and services	9.2	3,475,097	2,331,417	4,104,717	2,300,631
Selling expenses		2,612	12,216	27,084	5,499
Administrative expenses		29,724	15,979	17,825	10,373
Directors' and management's remuneration	9.2	7,092	9,889	4,547	4,787
Total expenses		3,514,525	2,369,501	4,154,173	2,321,290
Profit before finance costs and income tax		243,266	56,978	135,031	32,511
Finance costs	9.2, 18	(78,859)	(48,534)	(77,784)	(35,938)
Profit (loss) before income tax		164,407	8,444	57,247	(3,427)
Income tax		(7,669)	-	-	-
Profit (loss) for the period		156,738	8,444	57,247	(3,427)
Other comprehensive income (expense)					
Change in discount from change in shareholding interest in a subsidiary		-	(43,398)	-	-
Other comprehensive income (expense) for the period		-	(43,398)	-	-
Total comprehensive income (expense) for the period		156,738	(34,954)	57,247	(3,427)

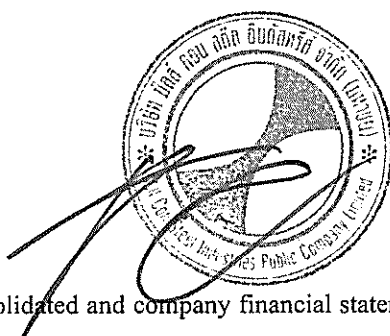
The notes to the interim consolidated and company financial statements on pages 11 to 28 are an integral part of these interim financial statements.



Wiroon Sampayon

Mill Con Steel Industries Public Company Limited
 Statements of Comprehensive Income (Unaudited) (Cont'd)
 For the three-month periods ended 31 March 2011 and 2010

	Notes	Consolidated		Company	
		Unaudited 2011 Baht'000	(Restated) Unaudited 2010 Baht'000	Unaudited 2011 Baht'000	(Restated) Unaudited 2010 Baht'000
Profit (loss) attributable to:					
Owners of the parent		155,478	7,590	57,247	(3,427)
Non-controlling interests		1,260	854	-	-
Profit (loss) for the period		<u>156,738</u>	<u>8,444</u>	<u>57,247</u>	<u>(3,427)</u>
Total comprehensive income (expense) attributable to:					
Owners of the parent		155,478	(35,808)	57,247	(3,427)
Non-controlling interest		1,260	854	-	-
Total comprehensive income (expense) for the period		<u>156,738</u>	<u>(34,954)</u>	<u>57,247</u>	<u>(3,427)</u>
Basic earnings (loss) per share (Baht)					
Basic earnings (loss) per share	19	<u>0.09</u>	<u>0.00</u>	<u>0.03</u>	<u>(0.01)</u>
Diluted earnings (loss) per share	19	<u>0.08</u>	<u>0.00</u>	<u>0.02</u>	<u>(0.00)</u>



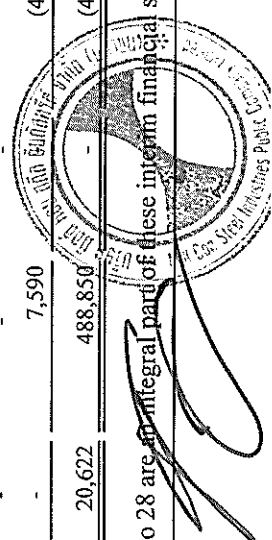
Pirrom Saipayan

The notes to the interim consolidated and company financial statements on pages 11 to 28 are an integral part of these interim financial statements.

Mill Con Steel Industries Public Company Limited
Statements of Changes in Equity (Unaudited)
For the three-month periods ended 31 March 2011 and 2010

		Consolidated (Baht'000)								
		Atributable to owners of the parent		Other components of equity						
				Surplus (discount) from changes in shareholding interest in a subsidiary			Total other components of equity			
Notes	Issued and paid-up share capital	Premium on shares	Retained earnings Appropriated - legal reserve	Unappropriated	Fair value reserves on assets, net	Shareholding interest in a subsidiary	Total other components of equity	Total owners of the parent	Non-controlling interest	Total equity
Opening balance as at 1 January 2011										
- As previously reported	741,864	1,797,003	28,696	481,537	401,685	(37,996)	363,689	3,412,789	35,445	3,448,234
- Retrospective adjustment from changes in accounting policies	-	-	-	(8,003)	(401,685)	(1,642)	(403,327)	(411,330)	(3,512)	(414,842)
- As restated	741,864	1,797,003	28,696	473,534	-	(39,638)	(39,638)	3,001,459	31,933	3,033,392
Adjustment of the application of a new accounting policy	-	-	-	(7,957)	-	-	-	(7,957)	(110)	(8,067)
Legal reserve	-	-	135	(135)	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	155,478	-	-	-	155,478	1,260	156,738
Closing balance as at 31 March 2011	741,864	1,797,003	28,831	620,920	-	(39,638)	(39,638)	3,148,980	33,083	3,182,063
Opening balance as at 1 January 2010										
- As previously reported	573,000	731,608	20,622	475,333	421,523	2,167	423,690	2,224,253	184,545	2,408,798
- Retrospective adjustment from changes in accounting policies	-	-	-	5,927	(421,523)	-	(421,523)	(415,596)	(3,256)	(418,852)
- As restated	573,000	731,608	20,622	481,260	-	2,167	2,167	1,808,657	181,289	1,989,946
Issue of preferred shares	60,166	550,929	-	-	-	-	-	611,095	-	611,095
Change in discount from change in shareholding interest in a subsidiary	-	-	-	-	-	-	-	-	(144,747)	(144,747)
Total comprehensive income for the period (as restated)	-	-	-	7,590	-	(43,398)	(43,398)	(35,808)	854	(34,954)
Closing balance as at 31 March 2010	633,166	1,282,537	20,622	488,850	-	(41,231)	(41,231)	2,383,944	37,396	2,421,340

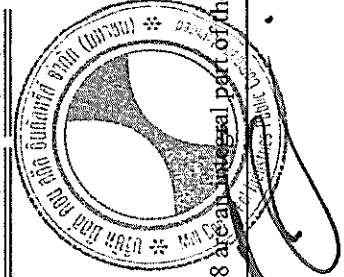
The notes to the interim consolidated and company financial statements on pages 11 to 28 are an integral part of these interim financial statements.



Pirom Sanpayon

Mill Con Steel Industries Public Company Limited
 Statements of Changes in Equity (Unaudited) (Cont'd)
 For the three-month periods ended 31 March 2011 and 2010

	Company (Baht'000)						
	Notes	Issued and paid-up share capital	Premium on shares	Fair value reserves on assets, net	Retained earnings		Total equity
					Appropriated	Unappropriated	
Opening balance as at 1 January 2011							
- As previously reported		741,864	1,797,003	387,101	28,696	77,900	3,032,564
- Retrospective adjustment from changes in accounting policies	4.1	-	-	(387,101)	-	6,866	(380,235)
- As restated		741,864	1,797,003	-	28,696	84,766	2,652,329
Legal reserve		-	-	-	135	(135)	-
Total comprehensive income for the period		-	-	-	-	57,247	57,247
Closing balance as at 31 March 2011							
		741,864	1,797,003	-	28,831	141,878	2,709,576
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	(398,753)
- As restated		573,000	731,608	-	20,622	29,309	1,354,539
Issue of preferred shares	15	60,166	550,929	-	-	-	611,095
Total comprehensive expense for the period (as restated)		-	-	-	-	(3,427)	(3,427)
Closing balance as at 31 March 2010							
		633,166	1,282,537	-	20,622	25,882	1,962,207

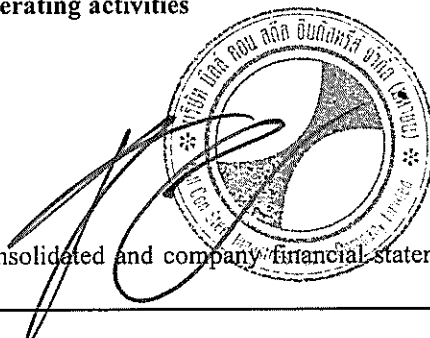


The notes to the interim consolidated and company financial statements on pages 11 to 28 are an integral part of these interim financial statements.

Wiroon Sawayajorn

Mill Con Steel Industries Public Company Limited
Statements of Cash Flows (Unaudited)
For the three-month periods ended 31 March 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 (loss) before income tax		164,407	8,444	57,247	(3,427)
Adjustment for:					
Depreciation	12.1	15,156	23,979	4,661	9,893
Amortisation	12.1	2,706	2,704	32	32
Doubtful accounts (reversal)	8	426	(363)	426	(363)
Amortised premium of bond		10	10	-	-
Allowance for net realisable value of inventories (reversal)	10	4,548	(7,762)	3,092	(3,934)
Gain on disposal of equipment		(244)	-	(4)	-
Loss from write-off fixed assets		2	-	-	-
Fair value (gains) losses on derivative financial instruments	16	(105,486)	26,350	(25,703)	9,749
Unrealised loss on exchange rate		41,518	-	41,518	-
Retirement benefit expenses		371	-	162	-
Interest income	17	(953)	(2,898)	(813)	(2,990)
Finance cost - interest expenses	18	72,119	41,469	61,770	28,872
Changes in operating assets and liabilities					
Trade accounts and notes receivable		(946,949)	(230,321)	(1,113,563)	(572,044)
Inventories		(217,614)	(97,838)	(243,591)	193,225
Advances to suppliers for purchases of goods		(146,680)	80,488	61,325	24,095
Retention money for purchase of goods		-	43,776	-	43,776
Other current assets		(24,265)	(126,754)	9,974	(96,169)
Other non-current assets		1,829	119	848	(79)
Trade accounts payable		253,928	184,351	205,780	46,638
Advances from customers for sales of goods		66,639	29,435	49,022	(170,133)
Other current liabilities		(13,906)	2,499	(3,998)	(12,666)
Cash flows from operations		(832,438)	(22,312)	(891,815)	(505,525)
Interest received		716	2,829	526	2,721
Interest paid		(45,596)	(46,188)	(67,451)	(34,013)
Income tax paid		(324)	(138)	(56)	(104)
Net cash out flows from operating activities		(877,642)	(65,809)	(958,796)	(536,921)



Prion Sawpayon

The notes to the interim consolidated and company financial statements on pages 11 to 28 are an integral part of these interim financial statements.

Mill Con Steel Industries Public Company Limited
Statements of Cash Flows (Unaudited) (Cont'd)
For the three-month periods ended 31 March 2011 and 2010

	Notes	Consolidated		Company	
		(Restated)		(Restated)	
		2011	2010	2011	2010
		Baht'000	Baht'000	Baht'000	Baht'000
Cash flows from investing activities					
Restricted deposits at financial institutions		(20,436)	(187,479)	(20,436)	(147,584)
Short-term loans to related parties	9.4	-	-	-	(70,300)
Short-term loans repayment received from related parties	9.4	-	-	-	30,000
Purchase of investment in subsidiaries	11	-	-	(145,695)	(476,637)
Purchase of property, plant and equipment	12.1	(442,234)	(260,335)	(99,885)	(14,367)
Purchase of intangible assets	12.1	(2,111)	-	(1,050)	-
Proceed from disposal of equipment		280	-	40	-
Net cash (used in) generated from investing activities		(464,501)	(447,814)	(267,026)	(678,888)
Cash flows from financing activities					
Proceeds from short-term loans from financial institutions	13.1	4,086,988	3,011,823	3,231,279	2,469,163
Short-term loans repayment to financial institutions	13.1	(4,253,650)	(2,703,842)	(3,388,717)	(1,961,937)
Short-term loans from discounted bill		1,340,836	55,897	1,340,835	282,919
Proceeds from long-term loans	13.2	134,817	-	-	-
Long-term loans repayment	13.2	(3,750)	(3,750)	(3,750)	(3,750)
Payment for liabilities under finance leases		(2,774)	(836)	-	(836)
Proceeds from share capital	15	-	423,137	-	423,137
Dividend payment		(11)	-	(11)	-
Net cash generated from financing activities		1,302,456	782,429	1,179,636	1,208,696
Net increase (decrease) in cash and cash equivalents		(39,687)	268,806	(46,186)	(7,113)
Beginning balance		189,903	32,405	175,609	19,872
Ending balance		150,216	301,211	129,423	12,759

Non-cash transactions

Significant non-cash transactions for the three-month periods ended 31 March 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		11,028	2,881	7,549	1,241
Transfer of inventories to property, plant and equipment		11,189	-	-	-

The notes to the interim consolidated and company financial statements on pages 11 to 28 are an integral part of these interim financial statements.

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 Bangadi 32, Bangadi Road, Kheaw Samaedum, Khet Bangkhuntien, Bangkok, Thailand 10150

Branch 1 : 68/84-85 Moo 3, Samaedum Road, Kheaw Samaedum, Khet Bangkhutien, Bangkok, 10150

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

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 Company is principally engaged in manufacturing and trading of steel products.

The Company has two subsidiaries:

- a) BRP Steel Co., Ltd. is principally engaged in the manufacture and trading of steel products.
- b) Million Miles Co., Ltd. is principally engaged in transportation.

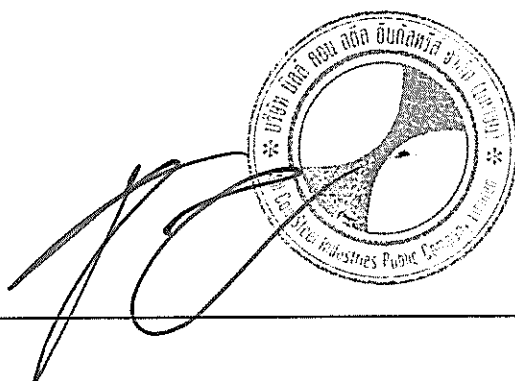
These interim consolidated and company financial statements were authorised for issue by the Board of Directors on 16 May 2011.

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 three-month period ended 31 March 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 three-month period ended 31 March 2010		
Other income decreased (Baht'000)	(16,601)	(16,601)
Net 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)



Prem Sawpaayan

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.

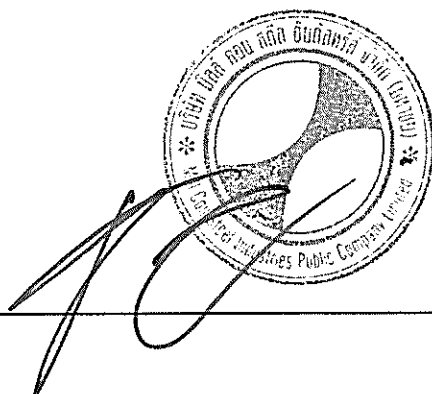
An English version of the consolidated and company interim financial statements has been prepared from the interim financial statements that are in the Thai language. In the event of a conflict or a difference in interpretation between the two languages, the Thai language interim financial statements 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 in Notes 4.1 to 4.3.

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 as follows:



Prom Sanpoyon

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 period ended 31 March 2010 are as follows:

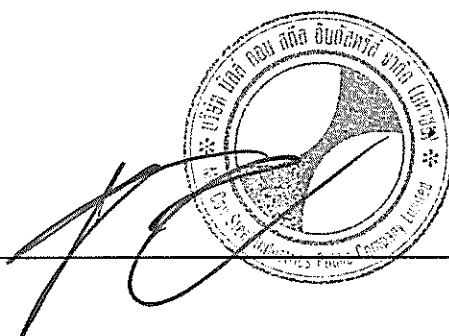
	Notes	Consolidated Baht'000 Increase/ (Decrease)	Company Baht'000 Increase/ (Decrease)
Statements of financial position as at 31 December 2010			
Derivative financial instruments, net (asset) (non-current)	4.1.2	8,544	11,092
Property, plant and equipment, net	4.1.1	(406,582)	(387,101)
Derivative financial instruments, net (liabilities) (current)		16,803	-
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 interest	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	(8,002)	9,548
Statements of comprehensive income for the three-month period ended 31 March 2010			
Other expenses		9,749	9,749
Profit for the period		(9,749)	(9,749)
Basic earnings per share (Baht)		(0.01)	(0.01)
Diluted earnings per share (Baht)		(0.01)	(0.01)

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 Changes 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.



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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 interest	(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

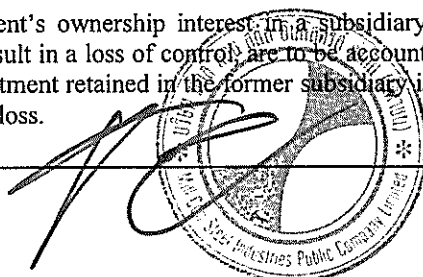
The Group operates a provident fund, being a defined contribution plan, the assets for which are held in a separate trust fund. The provident fund is funded by payments from employees and by the Group. The Group's contributions to the provident fund are charged to the statements of comprehensive income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

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

Change in accounting policy for investment 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 interest 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.



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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 buildings 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 period ended 31 March 2011 are as follows:

	Consolidated Baht'000 Increase/ (decrease)	Company Baht'000 Increase/ (decrease)
Depreciation charged for the period	(8,140)	(2,885)
Profit for the period	8,140	2,885

6 New interpretations of accounting standards during the three-month period ended 31 March 2011

The following new interpretations were endorsed by the Government Gazette during the three-month period ended 31 March 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.

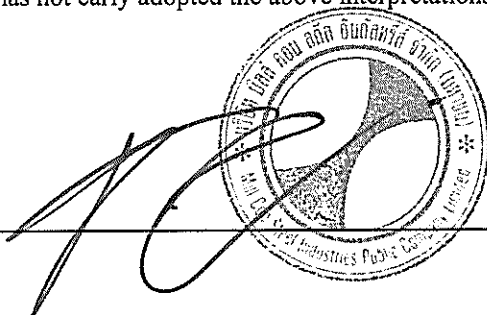
- b) Effective for periods beginning on or after 1 January 2013

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.



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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 period ended 31 March 2011 was Baht 76.34 million, equivalent to 2.08 % of total sales of goods and services (the three-month period ended 31 March 2010: Baht 54.77 million, equivalent to 2.26% of total sales of goods and services).

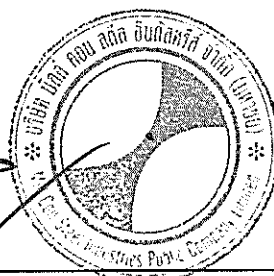
8 Trade accounts and notes receivable, net

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

	Consolidated		Company	
	31 March 2011 Baht'000	31 December 2010 Baht'000	31 March 2011 Baht'000	31 December 2010 Baht'000
Trade accounts receivable				
- third parties	940,653	1,190,202	882,727	1,111,293
- related parties (Note 9.3)	-	-	217,892	72,233
	940,653	1,190,202	1,100,619	1,183,526
Notes receivable				
- third parties	1,572,170	375,672	1,570,719	374,249
Total accounts and notes receivable	2,512,823	1,565,874	2,671,338	1,557,775
Less Allowance for doubtful accounts	(1,693)	(1,267)	(1,693)	(1,267)
Trade accounts and notes receivable, net	2,511,130	1,564,607	2,669,645	1,556,508

Trade accounts and notes receivable can be aged as follows:

	Consolidated		Company	
	31 March 2011 Baht'000	31 December 2010 Baht'000	31 March 2011 Baht'000	31 December 2010 Baht'000
Not yet due	1,790,271	1,299,817	1,990,368	1,366,309
Overdue not exceeding 3 months	708,522	234,206	666,988	182,413
Overdue 3 to 6 months	13,128	22,248	13,128	6,519
Overdue 6 to 12 months	-	9,552	-	2,534
Overdue more than 12 months	902	51	854	-
Total	2,512,823	1,565,874	2,671,338	1,557,775
Less Allowance for doubtful accounts	(1,693)	(1,267)	(1,693)	(1,267)
Trade accounts and notes receivable, net	2,511,130	1,564,607	2,669,645	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 24.09% interest in the Company's share capital.

The following transactions were carried out with related parties:

9.1 Revenues

For the three-month periods ended 31 March	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Sale of goods and services				
- Subsidiaries	-	-	995,445	379,058
- Related parties	-	163,107	-	87,830
Total sale of goods and services	-	163,107	995,445	466,888
Interest income				
- Subsidiaries	-	-	-	133

Sale 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. The interest income is calculated based on the interest rate of commercial banks.

9.2 Expenses

For the three-month periods ended 31 March	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Purchase of goods and services				
- Subsidiaries	-	-	789,358	119,035
- Related parties	290,353	222,786	275,233	205,946
Total purchase of goods and services	290,353	222,786	1,064,591	324,981
Directors' and management's remunerations				
- Short-term employee benefits	7,092	9,889	4,547	4,787
Total directors' and management's remunerations	7,092	9,889	4,547	4,787
Interest expense				
- Subsidiaries	-	-	-	17

Purchase 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. The interest expense is calculated based on the interest rate of commercial banks.

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9 Related party transactions (Cont'd)

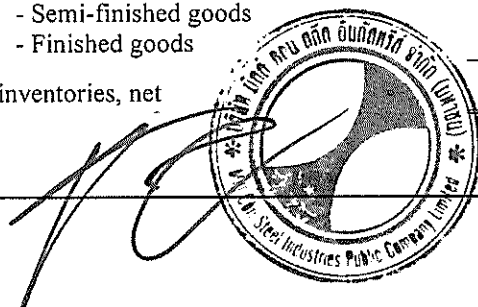
9.3 Outstanding balances arising from purchases and sales of goods and services

	Consolidated		Company	
	31 March 2011 Baht'000	31 December 2010 Baht'000	31 March 2011 Baht'000	31 December 2010 Baht'000
Trade accounts receivable				
- Subsidiaries (Note 8)	-	-	217,892	72,233
Advances to suppliers for purchase of goods				
- Subsidiaries	-	-	-	160,725
- Related parties	-	221,240	159,918	162,893
Total advances to suppliers for purchase of goods	-	221,240	159,918	323,618
Other current assets				
- Subsidiaries	-	-	11,923	13,166
- Related parties	-	3,295	-	3,295
Total other current assets	-	3,295	11,923	16,461
Trade accounts payable				
- Subsidiaries	-	-	112,043	-
Advances from customers for sales of goods				
- Related parties	43,227	-	-	-
Other current liabilities				
- Subsidiaries	-	-	4,041	5,229
- Related parties	-	457	-	457
Total other current liabilities	-	457	4,041	5,686

10 Inventories, net

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

	Consolidated		Company	
	31 March 2011 Baht'000	31 December 2010 Baht'000	31 March 2011 Baht'000	31 December 2010 Baht'000
Raw materials	1,265,641	427,853	923,966	371,831
Spare parts and supplies	50,303	71,372	30,967	51,903
Semi-finished goods	30,196	26,042	30,196	26,041
Finished goods	900,110	1,517,160	286,306	578,805
	2,246,250	2,042,427	1,271,435	1,028,580
Less Allowance for net realisable value of inventories				
- Raw material	-	(182)	-	(129)
- Semi-finished goods	(26)	(44)	(26)	(44)
- Finished goods	(4,522)	(2,376)	(3,066)	(563)
Total inventories, net	2,241,702	2,039,825	1,268,343	1,027,844



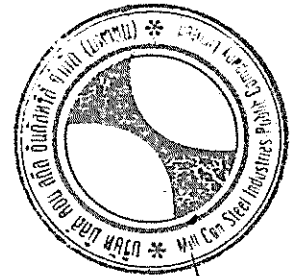
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Mill Con Steel Industries Public Company Limited
 Condensed Notes to the Interim Consolidated and Company Financial Statements (Unaudited)
 For the three-month periods ended 31 March 2011 and 2010

11 Investment in subsidiaries

The details of investment in subsidiaries as at 31 March 2011 and 31 December 2010 comprise the following:

Subsidiaries	Country of incorporation	Nature of business	Company				Shareholding interest		Investment at cost	
			Paid-up share capital		31 March 2011	31 December 2010	31 March 2011	31 December 2010	31 March 2011	31 December 2010
			(Baht'000)	(Baht'000)	(Percentage)	(Percentage)	(Baht'000)	(Baht'000)	(Baht'000)	(Baht'000)
BRP Steel Co., Ltd.	Thailand	Manufacture and distribution of round bars, deformed bars and structural steel	2,183,470	2,037,775	98.64	98.64	2,307,585	2,161,890		
Million Miles Co., Ltd.	Thailand	Transportation service	5,000	5,000	99.99	99.99	5,000	5,000		
							2,312,585	2,166,890		



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Prem Saengpayon

11 Investment in subsidiaries (Cont'd)

Movements of investments in subsidiaries can be analysed as follows:

	Company Baht'000
For the three-month period ended 31 March 2011	
Opening net book amount	2,166,890
Acquisition of additional investment in a subsidiary - paid for the ordinary share capital of BRP Steel Co., Ltd.	145,695
Closing net book amount	<u>2,312,585</u>

Additional investment in a subsidiary - BRP Steel Co., Ltd.

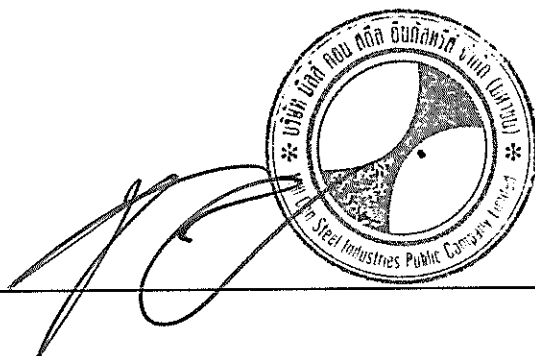
In the first quarter of 2011, BRP Steel Co., Ltd. called for additional paid-up share capital, totalling Baht 146 million. The Company paid for additional paid-up shares in the same portion as its original investment, totalling Baht 146 million.

12 Property, plant, equipment and intangible assets

12.1 Movements of property, plant, equipment and intangible assets for the three-month period ended 31 March 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	444,239	1,511	98,553	750
Depreciation/amortisation charges	(15,156)	(2,706)	(4,661)	(32)
Disposals - cost	(3,720)	-	(96)	-
- accumulated depreciation	3,684	-	60	-
Assets written off - cost	(423)	-	-	-
- accumulated depreciation	421	-	-	-
Closing net book amount	<u>3,751,929</u>	<u>71,918</u>	<u>969,338</u>	<u>4,205</u>

During the three-month period ended 31 March 2011, the finance costs of Baht 16,713 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 6.12% - 6.20% per annum was used representing the actual borrowing costs of the loans used to finance the project.



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12 Property, plant, equipment and intangible assets (Cont'd)

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

As at 31 March 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)	
	31 March 2011	31 December 2010
Lands, buildings and machinery of Mill Con Steel Industries Public Company Limited	863,529	787,252
Lands, buildings and machinery of a subsidiary - BRP Steel Co., Ltd.	697,512	366,832

13 Loans from financial institutions

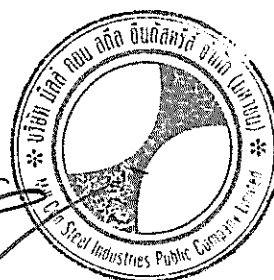
13.1 Short-term loans

Movements of short-term loans for the three-month periods of 31 March 2011 comprise following:

	Consolidated	Company
	Baht'000	Baht'000
Beginning balance	3,805,249	3,050,316
Loans made during the period	4,086,988	3,231,279
Loan repayments during the period	(4,253,650)	(3,388,717)
Unrealised loss on exchange rate	352	352
Ending balance	3,638,939	2,893,230

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

	Consolidated		Company	
	31 March 2011 Baht'000	31 December 2010 Baht'000	31 March 2011 Baht'000	31 December 2010 Baht'000
Short-term loans - promissory note	2,875,000	2,707,606	2,135,000	1,977,606
Short-term loans - trust receipt	763,939	1,097,643	758,230	1,072,710
Total short-term loans from financial institutions	3,638,939	3,805,249	2,893,230	3,050,316



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13 Loans from financial institutions (Cont'd)

13.1 Short-term loans (Cont'd)

Short-term loans from financial institutions of the Company

As at 31 March 2011, short-term loans from promissory note of Baht 2,135 million and from trust receipt of Baht 758 million bear interests at the rate of MLR less 1.00% discount per annum. The loans are secured by lands, 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 lands, buildings, machinery and the Company's director).

Short-term loans from financial institutions of a subsidiary

As at 31 March 2011, short-term loans from promissory note of Baht 740 million and from trust receipt of Baht 6 million bear interests at the rate of MLR less 0.75% discount per annum. The loans are secured by lands, 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 secured by lands, buildings, machinery, fixed deposits at financial institutions and the Company's director).

13.2 Long-term loans

Long-term loans are due for repayments as follows:

	Consolidated		Company	
	31 March 2011 Baht'000	31 December 2010 Baht'000	31 March 2011 Baht'000	31 December 2010 Baht'000
Current portion of long-term loans	15,000	15,000	15,000	15,000
Loans due later than 1 year	1,033,396	859,844	615,410	578,200
Total long-term loans	1,048,396	874,844	630,410	593,200
Transaction cost, net	(26,101)	(25,448)	-	-
Total long-term loans, net	1,022,295	849,396	630,410	593,200

The movement in book value of long-term loans for the three-month period ended 31 March 2011:

	Consolidated Baht'000	Company Baht'000
Beginning balance	849,396	593,200
Loans made during the period	136,342	-
Repayment of long-term loans	(3,750)	(3,750)
Transaction cost, net	(653)	-
Unrealised (gain) loss on exchange rate	40,960	40,960
Ending balance	1,022,295	630,410

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Mill Con Steel Industries Public Company Limited
Condensed Notes to the Interim Consolidated and Company Financial Statements (Unaudited)
For the three-month periods ended 31 March 2011 and 2010

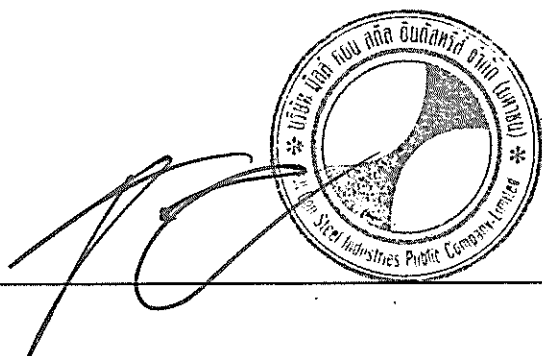
13 Loans from financial institutions (Cont'd)

13.3 Unutilised credit facilities comprise the following:

	Consolidated			
	31 March 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	151,102	-	140,862	-
Floating rate				
- draw down with no time limitation	329	923,670	1,618,356	140,119
	<u>151,431</u>	<u>923,670</u>	<u>1,759,218</u>	<u>140,119</u>
	Company			
	31 March 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	151,102	-	140,862	-
Floating rate				
- draw down with no time limitation	-	923,660	-	119,684
	<u>151,102</u>	<u>923,660</u>	<u>140,862</u>	<u>119,684</u>

14 Retirement benefit obligations

	Consolidated Baht'000	Company Baht'000
For the three-month period ended 31 March 2011		
Opening balance for the period (Note 4.2)	8,068	2,682
Retirement benefit expenses	371	162
Closing balance for the period	<u>8,439</u>	<u>2,844</u>



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15 Share capital

The movements of share capital for the three-month period ended 31 March 2011:

	Number of registered shares		Number of issued and fully paid-up shares		Issued and fully 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	-	-	-	-	-	-	-	-
As at 31 March 2011	2,112,199	544,609	1,566,463	288,198	626,585	115,279	731,608	1,065,395

As at 31 March 2011 and 31 December 2010, the authorised shares comprise 2,112,199,420 ordinary shares with a par value of Baht 0.40 per share, totalling Baht 845 million, and 544,608,960 preferred shares with a par value of Baht 0.40 per share, totalling 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.

As at 31 March 2011, the cumulative preference share dividends amounting to Baht 16 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 2.5 ordinary shares and the exercise price is Baht 2 per share.

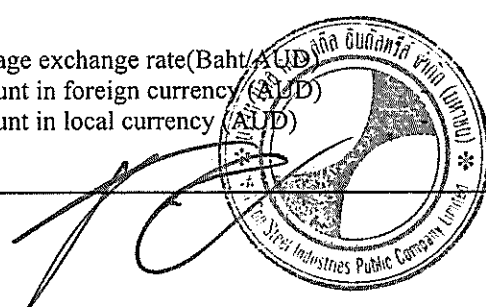
16 Financial instruments

Forward foreign exchange contracts

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

Foreign exchange forward contracts

	Consolidated		Company	
	31 March 2011 Baht'000	31 December 2010 Baht'000	31 March 2011 Baht'000	31 December 2010 Baht'000
Euro : Average exchange rate (Baht/Euro)	39.39 - 42.80	39.43 - 42.40	40.87 - 42.80	40.04 - 41.33
: Amount in foreign currency (Euro)	39,778	41,278	15,000	14,000
: Amount in local currency (Baht)	1,625,627	1,689,673	614,157	571,477
US dollar : Average exchange rate (Baht/USD)	29.86 - 31.22	29.78 - 31.09	29.86 - 31.22	29.78 - 31.09
: Amount in foreign currency (USD)	8,283	14,379	5,333	13,979
: Amount in local currency (USD)	240,145	429,287	163,776	425,504
Australia dollar				
: Average exchange rate (Baht/AUD)		28.50 - 29.07	-	-
: Amount in foreign currency (AUD)		150	-	-
: Amount in local currency (AUD)		7,777	-	-



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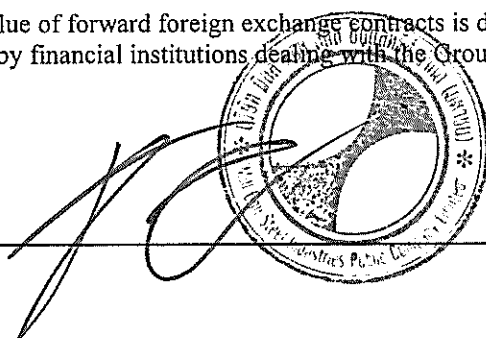
16 Financial instruments (Cont'd)

Net fair values

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

	Consolidated			
	31 March 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	24,778	60,911	-	-
- Non-current	14,000	36,324	9,800	15,863
US Dollar				
- Current	2,950	1,065	-	-
Australia Dollar				
- Current	-	-	150	31
Derivative financial instruments (liabilities)				
- Foreign exchange forward contracts				
Euro				
- Current	1,000	(78)	20,748	(15,063)
- Non-current	-	-	10,730	(7,319)
US Dollar				
- Current	5,333	(995)	14,379	(1,771)
Company				
31 March 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	36,324	9,800	
Derivative financial instruments (liabilities)				
- Foreign exchange forward contracts				
Euro				
- Current	1,000	(78)	-	
- Non-current	-	-	4,200	
US Dollar				
- Current	5,333	(995)	13,979	

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.



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17 Other income

Other income for the three-month periods ended 31 March 2011 and 2010 comprise the following:

	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Interest income	953	2,898	813	2,990
Gain on disposal of equipment	244	-	4	-
Net fair value gain (loss) from derivative financial instruments	80,332	(9,749)	549	(9,749)
Net gain on exchange rate	1,010	8,795	907	4,902
Others	9,019	5,523	6,736	3,213
Total finance costs	91,558	7,467	9,009	1,356

18 Finance costs

Finance costs for the three-month periods ended 31 March 2011 and 2010 comprise the following:

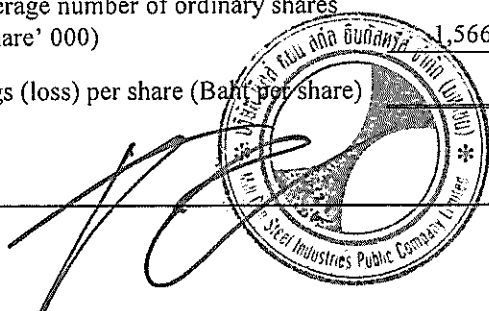
	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Interest expenses	71,173	41,468	60,824	28,872
Bank charge	946	7,066	946	7,066
Net loss from foreign exchange rate for loans	31,893	-	41,167	-
Net fair value (gain) from derivative financial instruments	(25,153)	-	(25,153)	-
Total finance costs	78,859	48,534	77,784	35,938

19 Basic earnings per share

Basic earnings per share and diluted earnings per share for the three-month periods ended 31 March 2011 and 2010 is as follows;

The basic earnings (loss) per share is calculated by dividing the profit (loss) 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
Basic earnings per share				
Profit (loss) attributable to shares (Baht'000)	156,738	8,444	57,247	(3,427)
<u>Less</u> Dividend of preference share (Baht'000)	<u>(15,715)</u>	<u>(7,897)</u>	<u>(15,715)</u>	<u>(7,897)</u>
Profit (loss) attributable to ordinary shareholders (Baht'000)	141,023	547	41,532	(11,324)
Weighted average number of ordinary shares in issue (Share' 000)	1,566,463	1,432,500	1,566,463	1,432,500
Basic earnings (loss) per share (Baht per share)	0.09	0.01	0.03	(0.01)



Pirom Sompayom

19 Basic earnings per share (Cont'd)

The diluted earnings (loss) 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.

	Consolidated		Company	
	2011	2010	2011	2010
Diluted earnings per share				
Profit (loss) attributable to shareholders (Baht' 000)	141,023	547	41,532	(11,324)
Weighted average number of ordinary shares in issue (Share' 000)	1,566,463	1,432,500	1,566,463	1,432,500
Adjusted for				
- assumed conversion of preferred shares (Share' 000)	253,858	20,418	253,858	20,418
- warrants (Share' 000)	20,777	69,541	20,777	69,541
Weighted average number of ordinary shares for diluted earnings (loss) per share (Share' 000)	1,841,098	1,522,459	1,841,098	1,522,459
Diluted earnings (loss) per share (Baht per share)	0.08	0.00	0.02	(0.01)

20 Guarantees

20.1 Guarantee contract

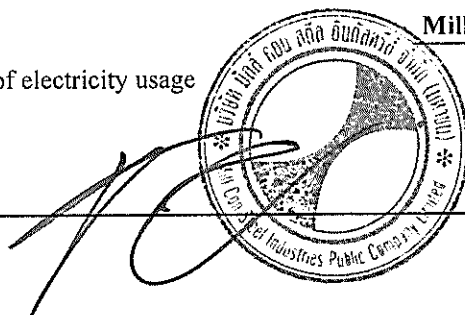
Guarantee contract of the Company as at 31 March 2011 and 31 December 2010 comprise the following:

	Consolidated		Company	
	31 March 2011	31 December 2010	31 March 2011	31 December 2010
	Million Baht	Million Baht	Million Baht	Million Baht
Guarantees of a subsidiary' liabilities	36	36	36	36

20.2 Bank guarantee

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

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



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21 Commitments

As at 31 March 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	
	31 March 2011 Million Baht	31 December 2010 Million Baht	31 March 2011 Million Baht	31 December 2010 Million Baht
Capital commitments	1,324	1,449	4	4
Operating lease commitments	30	31	16	18
Letter of credit for purchase of goods commitments				
- Thai Baht	-	38	-	38
- US Dollar	-	2	-	2
Service contract commitments	5	2	2	-

22 Subsequent events

22.1 Dividends

At the General Shareholders' meeting of the Company held on 22 April 2011, shareholders passed a resolution to approve the payment of dividends 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. Therefore, the payable dividend which will be paid to shareholders is at the rate of Baht 0.01 per share on 19 May 2011. In addition, the shareholders approved the allocation of retained earnings amounting to Baht 8,208,532 or 5% of net profit for the year ended 31 December 2010 as a legal reserve.

22.2 Reduction of registered share capital of the Company

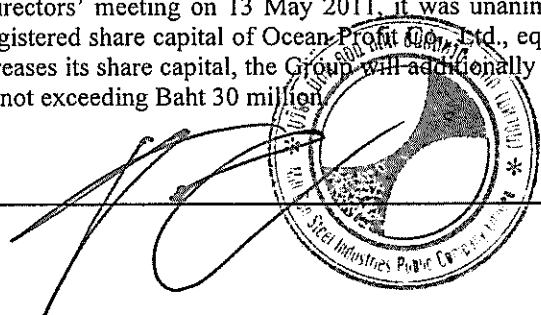
At the General Shareholders' meeting of the Company held on 22 April 2011, shareholders passed a resolution to approve the decrement in the Company's authorised share capital from Baht 1,062,723,352 to Baht 962,825,436 by cancelling the Company's unissued Group A preferred shares of 149,744,789 shares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

22.3 Additional investment in a subsidiary and change in the name of a subsidiary

- In April 2011, the Company additionally paid for share capital of B R P Steels Co., Ltd. of Baht 15,000,000.
- At the Board of Directors' Meeting of B R P Steels Co., Ltd. no. 2/2011 held on 30 March 2011, the directors passed resolutions to approve the change in the company's name from B R P Steel Co., Ltd. to Mill Con Burapa Co., Ltd. The subsidiary registered the change with the Ministry of Commerce on 11 May 2011.

22.4 Joint investment

At the Board of Directors' meeting on 13 May 2011, it was unanimously resolved for the Group to jointly invest in 30% of registered share capital of Ocean Profit Co., Ltd., equivalent to Baht 300,000. 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.



Prem Sawpayon