

MILL CON STEEL INDUSTRIES PUBLIC COMPANY LIMITED

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

30 SEPTEMBER 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 September 2011, and the related consolidated and company statements of comprehensive income for the three-month and nine-month periods ended 30 September 2011, and the related consolidated and company statements of changes in equity and cash flows for the nine-month period ended 30 September 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 nine-month period ended 30 September 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 12 November 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 nine-month periods ended 30 September 2010 and the consolidated and company statements of changes in equity and cash flows for the nine-month period ended 30 September 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 nine-month period ended 30 September 2010, presented for comparative purposes, have been therefore restated and presented in the new format to conform with the current period financial statements.

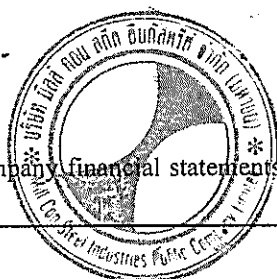
Prasit Yuengsrikul
Certified Public Accountant (Thailand) No. 4174
PricewaterhouseCoopers ABAS Ltd.

Bangkok
14 November 2011

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

	Consolidated		Company	
		(Restated)		(Restated)
	Unaudited	Audited	Unaudited	Audited
	30 September	31 December	30 September	31 December
	2011	2010	2011	2010
Notes	Baht'000	Baht'000	Baht'000	Baht'000
Assets				
Current assets				
Cash and cash equivalents	139,748	189,903	112,086	175,609
Restricted deposits at financial institutions	187,832	150,000	187,832	150,000
Trade accounts and notes receivable, net	8, 9.3 2,008,564	1,564,607	1,871,459	1,556,508
Inventories, net	10 2,615,849	2,039,825	1,830,396	1,027,844
Advances to suppliers for purchases of goods	9.3 514,811	615,621	494,922	717,999
Derivative financial instruments	17 7,048	6,162	3,828	2,747
Other current assets	9.3 394,009	409,373	68,251	100,567
Total current assets	5,867,861	4,975,491	4,568,774	3,731,274
Non-current assets				
Restricted deposits at financial institutions	275,411	273,440	235,311	233,340
Derivative financial instruments	17 25,349	16,526	23,131	15,863
Investment in an associate	11.2 2,893	-	3,000	-
Investments in subsidiaries	11.1 -	-	2,529,115	2,166,890
Other long-term investment, net	3,515	3,544	-	-
Property, plant and equipment, net	12.1 5,723,994	3,322,884	1,087,850	875,482
Intangible assets, net	12.1 67,639	73,113	4,858	3,487
Other non-current assets	5,062	7,321	3,698	4,550
Total non-current assets	6,103,863	3,696,828	3,886,963	3,299,612
Total assets	11,971,724	8,672,319	8,455,737	7,030,886

The notes to the interim consolidated and company financial statements on pages 13 to 37 are an integral part of these interim financial statements.

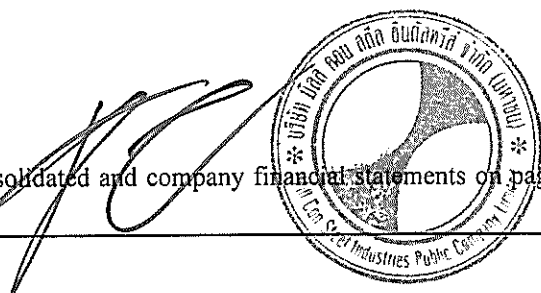


Prom Samsapan

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

	Notes	Consolidated		Company	
		(Restated)		(Restated)	
		Unaudited	Audited	Unaudited	Audited
		30 September 2011 Baht'000	31 December 2010 Baht'000	30 September 2011 Baht'000	31 December 2010 Baht'000
Liabilities and equity					
Current liabilities					
Short-term loans from financial institutions	13.1	4,903,330	3,805,249	3,496,279	3,050,316
Short-term loans from discounted bills		723,801	515,234	723,801	515,234
Trade accounts payable	9.3	249,997	148,659	676,568	110,269
Advances from customers for sales of goods		591,137	75,170	568,177	60,497
Current portion of long-term loans from financial institutions	13.2	31,800	15,000	31,800	15,000
Current portion of liabilities under finance leases, net		8,809	7,954	-	-
Current portion of import tax and duty payable		-	2,814	-	-
Derivative financial instruments	17	3,371	22,965	1,118	4,291
Other current liabilities	9.3	388,964	166,990	52,286	37,297
Total current liabilities		6,901,209	4,760,035	5,550,029	3,792,904
Non-current liabilities					
Liabilities under finance leases, net		30,183	36,514	-	-
Long-term loans from financial institutions, net	13.2	1,828,311	834,396	136,700	578,200
Retirement benefit obligations	14	9,181	-	8,922	-
Derivative financial instruments	17	-	7,982	-	4,771
Total non-current liabilities		1,867,675	878,892	145,622	582,971
Total liabilities		8,768,884	5,638,927	5,695,651	4,375,875

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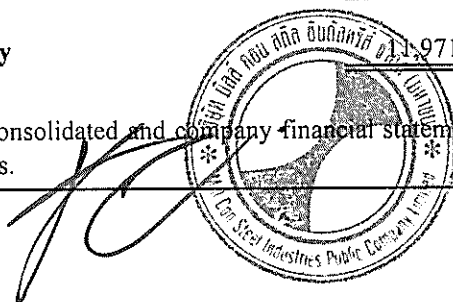


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Mill Con Steel Industries Public Company Limited
Statements of Financial Position (Cont'd)
As at 30 September 2011 and 31 December 2010

	Consolidated		Company	
	(Restated)		(Restated)	
	Unaudited	Audited	Unaudited	Audited
	30 September	31 December	30 September	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	615,125	473,534	165,228	87,448
Other components of equity				
	(40,338)	(39,638)	-	-
Total owners of the parent	<u>3,169,645</u>	<u>3,001,459</u>	<u>2,760,086</u>	<u>2,655,011</u>
Non-controlling interests	33,195	31,933	-	-
Total equity	<u>3,202,840</u>	<u>3,033,392</u>	<u>2,760,086</u>	<u>2,655,011</u>
Total liabilities and equity	<u>3,971,724</u>	<u>8,672,319</u>	<u>8,455,737</u>	<u>7,030,886</u>

The notes to the interim consolidated and company financial statements on pages 13 to 37 are an integral part of these interim financial statements.

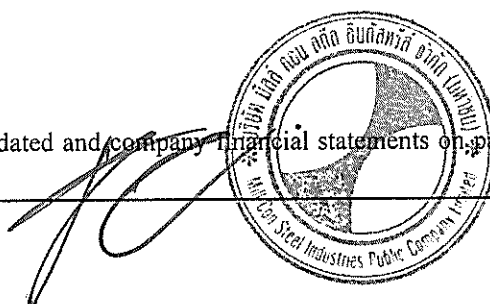


Pirrom Sumpayon 4

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

	Notes	Consolidated		Company	
		2011	(Restated) 2010	2011	(Restated) 2010
		Baht'000	Baht'000	Baht'000	Baht'000
Revenues					
Sales of goods and services	9.1	3,853,187	2,372,137	3,944,147	2,532,169
Other income	9.1, 18.1	8,911	17,550	8,614	2,545
Total revenues		3,862,098	2,389,687	3,952,761	2,534,714
Expenses					
Cost of sales and services	9.2	3,746,671	2,248,769	3,840,405	2,438,665
Selling expenses		2,455	11,980	23,783	14,276
Administrative expenses		39,916	33,598	14,279	21,690
Directors' and management's remuneration		9,117	5,710	9,117	3,076
Other expenses	18.2	53,726	-	676	1,503
Total expenses		3,851,885	2,300,057	3,888,260	2,479,210
Operating profit		10,213	89,630	64,501	55,504
Share of losses from an associate		(101)	-	-	-
Profit before finance costs and income tax		10,112	89,630	64,501	55,504
Finance costs	9.2, 19	(104,890)	(45,282)	(100,986)	(32,779)
Profit (loss) before income tax		(94,778)	44,348	(36,485)	22,725
Income tax		1,294	(285)	6,049	-
Profit (loss) for the period		(93,484)	44,063	(30,436)	22,725
Other comprehensive income (expense) for the period		-	-	-	-
Total comprehensive income (expense) for the period		(93,484)	44,063	(30,436)	22,725

The notes to the interim consolidated and company financial statements on pages 13 to 37 are an integral part of these interim financial statements.

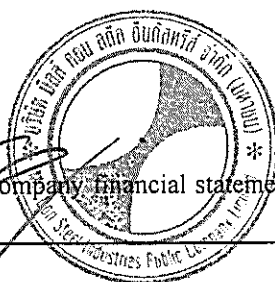


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Mill Con Steel Industries Public Company Limited
Statements of Comprehensive Income (Unaudited) (Cont'd)
For the three-month periods ended 30 September 2011 and 2010

	Note	Consolidated		Company	
		2011 Baht'000	(Restated) 2010 Baht'000	2011 Baht'000	(Restated) 2010 Baht'000
Profit (loss) attributable to:					
Owners of the parent		(92,642)	44,085	(30,436)	22,725
Non-controlling interests		(842)	(22)	-	-
Profit (loss) for the period		<u>(93,484)</u>	<u>44,063</u>	<u>(30,436)</u>	<u>22,725</u>
Total comprehensive income (expense) attributable to:					
Owners of the parent		(92,642)	44,085	(30,436)	(22,725)
Non-controlling interests		(842)	(22)	-	-
Total comprehensive income (expense) for the period		<u>(93,484)</u>	<u>44,063</u>	<u>(30,436)</u>	<u>22,725</u>
Earnings (loss) per share for the period (Baht)					
Basic earnings (loss) per share	20	<u>(0.07)</u>	<u>0.02</u>	<u>(0.03)</u>	<u>0.01</u>
Diluted earnings (loss) per share	20	<u>(0.07)</u>	<u>0.02</u>	<u>(0.03)</u>	<u>0.01</u>

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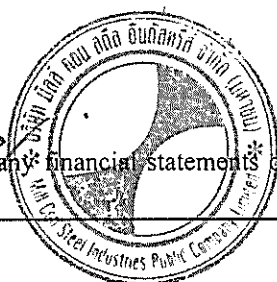


Perim Sawpayon 6

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

	Notes	Consolidated		Company	
		(Restated)		(Restated)	
		2011	2010	2011	2010
		Baht'000	Baht'000	Baht'000	Baht'000
Revenues					
Sales of goods and services	9.1	11,518,285	7,429,105	12,456,409	7,358,830
Dividend income	9.1	-	-	-	88,308
Other income	9.1, 18.1	105,725	50,980	37,588	29,130
Total revenues		11,624,010	7,480,085	12,493,997	7,476,268
Expenses					
Cost of sales and services	9.2	10,994,882	7,096,112	11,959,777	7,109,783
Selling expenses		13,503	23,512	75,018	32,863
Administrative expenses		103,715	81,195	56,730	41,196
Directors' and management's remuneration		26,677	21,139	22,652	10,917
Other expenses	18.2	11,214	-	2,920	-
Total expenses		11,149,991	7,221,958	12,117,097	7,194,759
Operating profit		474,019	258,127	376,900	281,509
Share of losses from an associate	11	(107)	-	-	-
Profit before finance costs and income tax		473,912	258,127	376,900	281,509
Finance costs	9.2, 19	(283,032)	(146,942)	(275,662)	(110,587)
Profit before income tax		190,880	111,185	101,238	170,922
Income tax		(24,860)	(758)	(4,976)	-
Profit for the period		166,020	110,427	96,262	170,922
Other comprehensive income (expense) for the period		-	-	-	-
Total comprehensive income for the period		166,020	110,427	96,262	170,922

The notes to the interim consolidated and company financial statements on pages 13 to 37 are an integral part of these interim financial statements.

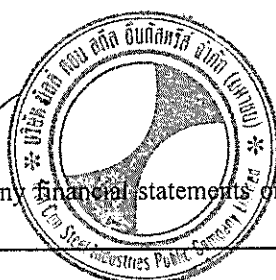


Pirorn Sarpayont

Mill Con Steel Industries Public Company Limited
 Statements of Comprehensive Income (Unaudited) (Cont'd)
 For the nine-month periods ended 30 September 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		165,348	109,517	96,262	170,922
Non-controlling interests		672	910	-	-
Profit for the period		<u>166,020</u>	<u>110,427</u>	<u>96,262</u>	<u>170,922</u>
Total comprehensive income attributable to:					
Owners of the parent		165,348	109,517	96,262	170,922
Non-controlling interests		672	910	-	-
Total comprehensive income for the period		<u>166,020</u>	<u>110,427</u>	<u>96,262</u>	<u>170,922</u>
Earnings per share for the period (Baht)					
Basic earnings per share	20	<u>0.08</u>	<u>0.06</u>	<u>0.03</u>	<u>0.10</u>
Diluted earnings per share	20	<u>0.07</u>	<u>0.06</u>	<u>0.03</u>	<u>0.10</u>

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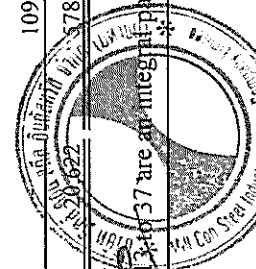


Pisem Sampayon

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

	Consolidated (Baht'000)									
	Attributable to owners of the parent					Other components of equity				
	Issued and paid-up share capital	Premium on shares	Retained earnings Appropriated - legal reserve	Fair value reserves on assets, net	Total other components of equity	Total owners of the parent	Non-controlling interest	Total equity		
Opening balance as at 1 January 2011	741,864	1,797,003	481,537	401,685	363,689	3,412,789	35,445	3,448,234		
- As previously reported			(8,003)	(401,685)	(1,642)	(411,330)	(3,512)	(414,842)		
- Retrospective adjustment from changes in accounting policies			473,534		(39,638)	3,001,459	31,933	3,033,392		
- As restated	741,864	1,797,003	28,696			(7,957)		(8,067)		
Adjustment of the application of a new accounting policy								27,160		
Issue of preferred shares	2,667	24,493								
Legal reserve			135							
Discount from changes in shareholding interest in a subsidiary								(700)	700	
Dividend paid								(15,665)		(15,665)
Total comprehensive income for the period				165,348				165,348	672	166,020
Closing balance as at 30 September 2011	<u>744,531</u>	<u>1,821,496</u>	<u>28,831</u>	<u>615,125</u>	<u>(40,338)</u>	<u>3,169,645</u>	<u>33,195</u>	<u>3,202,840</u>		
Opening balance as at 1 January 2010	573,000	731,608	475,333	421,523	2,167	2,224,253	184,545	2,408,798		
- As previously reported										
- Retrospective adjustment from changes in accounting policies			(5,927)	(421,523)		(421,523)	(3,256)	(430,706)		
- As restated	573,000	731,608	20,622	469,406	2,167	1,796,803	181,289	1,978,092		
Issue of preferred shares	111,851	1,034,584				1,146,435		1,146,435		
Discount from changes in shareholding interest in a subsidiary								(143,654)	(143,654)	
Dividend paid								(2,314)	(2,314)	
Total comprehensive income for the period (as restated)								109,517	910	110,427
Closing balance as at 30 September 2010	<u>684,851</u>	<u>1,766,192</u>	<u>20,622</u>	<u>578,923</u>	<u>(42,323)</u>	<u>3,008,265</u>	<u>36,231</u>	<u>3,044,496</u>		

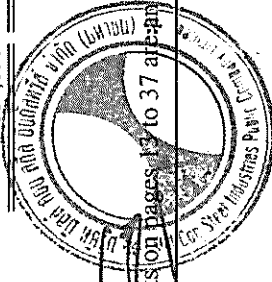
The notes to the interim consolidated and company financial statements on pages 1-37 are an integral part of these interim financial statements.



Pirom Sampayan

Mill Con Steel Industries Public Company Limited
Statements of Changes in Equity (Unaudited) (Cont'd)
For the nine-month periods ended 30 September 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		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)	-	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		-	-	-	-	96,262	96,262
Closing balance as at 30 September 2011		744,531	1,821,496	-	28,831	165,228	2,760,086
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		111,851	1,034,584	-	-	-	1,146,435
Total comprehensive income for the period (as restated)		-	-	-	-	170,922	170,922
Closing balance as at 30 September 2010		684,851	1,766,192	-	20,622	188,377	2,660,042



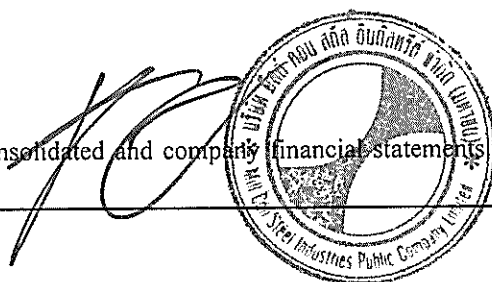
The notes to the interim consolidated and company financial statements on pages 17 to 37 are an integral part of these interim financial statements.

Pirom Sawpayong

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

	Notes	Consolidated		Company	
		2011	2010	2011	2010
		Baht'000	Baht'000	Baht'000	Baht'000
Cash flows from operating activities					
Profit before income tax		190,880	111,185	101,238	170,922
Adjustment for:					
Depreciation	12.1	51,523	74,588	18,020	31,217
Amortisation	12.1	8,146	8,157	84	96
Doubtful accounts		3,056	4,769	3,040	1,671
Amortised premium of bond		29	30	-	-
Allowance for net realisable value of inventories (reversal)	10	2,295	(21,017)	1,771	(9,193)
Gain on disposal of equipment		(326)	(1,771)	(21)	(1,260)
Loss from write-off fixed assets		1,473	-	1,424	-
Fair value gains on derivative financial instruments		(37,283)	(26,677)	(16,293)	(12,672)
Dividend income	9.1	-	-	-	(88,308)
Share of losses from an associate	11	107	-	-	-
Unrealised loss on exchange rate		31,996	2,653	31,996	2,653
Retirement benefit expenses		1,114	-	6,240	-
Interest income	18.1	(4,058)	(4,064)	(3,396)	(4,197)
Finance costs - interest expenses	19	229,816	139,022	222,446	102,667
Changes in operating assets and liabilities					
Trade accounts and notes receivable		(447,013)	18,617	(317,991)	(808,921)
Inventories		(578,319)	(28,216)	(804,323)	301,282
Advances to suppliers for purchases of goods		100,810	180,914	223,077	160,403
Retention money for purchases of goods		-	72,500	-	72,500
Other current assets		15,791	(281,386)	32,808	24,192
Other non-current assets		2,257	(605)	852	(306)
Trade accounts payable		101,338	(214,233)	566,299	(218,997)
Advance from customers for sales of goods		515,967	(50,467)	507,680	(144,112)
Payments for import tax and duty		(2,814)	(2,814)	-	-
Other current liabilities		107,137	71,272	21,536	(8,700)
Cash flows from operations		293,922	52,457	596,487	(429,063)
Cash received from interests		18,739	3,646	2,718	3,716
Cash paid for interests		(262,602)	(140,605)	(213,754)	(97,325)
Cash paid for income tax		(30,838)	(538)	(11,025)	(108)
Net cash in flows (out flows) from operating activities		19,221	(85,040)	374,426	(522,780)

The notes to the interim consolidated and company financial statements on pages 13 to 37 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 nine-month periods ended 30 September 2011 and 2010

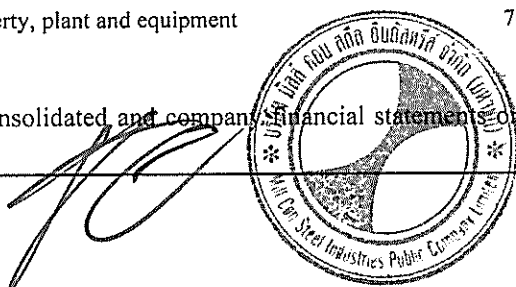
	Notes	Consolidated		Company	
		(Restated)		(Restated)	
		2011	2010	2011	2010
		Baht'000	Baht'000	Baht'000	Baht'000
Cash flows from investing activities					
Restricted deposits at financial institutions		(39,803)	(247,750)	(39,803)	(207,855)
Short-term loans to subsidiaries		-	-	-	(70,300)
Loans repayment received from subsidiaries		-	-	-	70,300
Purchase of investment in subsidiaries	11	-	-	(362,225)	(1,476,637)
Purchase of investment in an associate	11	(3,000)	-	(3,000)	-
Purchase of property, plant and equipment		(2,305,454)	(1,469,850)	(240,845)	(47,952)
Purchase of intangible assets		(3,195)	(5,170)	(1,738)	(2,549)
Proceeds from disposal of equipment		362	3,697	57	3,173
Dividend received from a subsidiary		-	-	-	147,328
Net cash used in investing activities		(2,351,090)	(1,719,073)	(647,554)	(1,584,492)
Cash flows from financing activities					
Proceeds from short-term loans from financial institutions	13.1	14,687,817	9,199,306	10,238,107	6,958,224
Repayments of short-term loans from financial institutions	13.1	(14,164,600)	(8,709,093)	(10,387,782)	(6,321,340)
Proceeds from short-term loans from discounted bills		3,857,860	1,604,922	3,857,860	1,595,924
Repayments of short-term loans from discounted bills		(3,649,293)	(1,676,093)	(3,649,293)	(1,440,073)
Proceeds from long-term loans from financial institutions	13.2	1,581,732	757,101	150,000	581,407
Payments for transaction costs of long-term loans		(26,041)	-	-	-
Repayments of long-term loans from financial institutions	13.2	(11,250)	(11,250)	(11,250)	(11,250)
Payments for liabilities under finance leases		(7,632)	(1,524)	-	(836)
Proceeds from issue of share capital	15	27,160	958,477	27,160	958,477
Dividend payment		(14,039)	(2,314)	(15,197)	-
Net cash generated from financing activities		2,281,714	2,119,532	209,605	2,320,533
Net (decrease) increase in cash and cash equivalents		(50,155)	315,419	(63,523)	213,261
Beginning balance		189,903	32,405	175,609	19,872
Ending balance		139,748	347,824	112,086	233,133

Non-cash transactions

Significant non-cash transactions for the nine-month periods ended 30 September 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	267,534	6,512	7,357	2,525
Outstanding payable arising from investment in intangible assets	17	-	17	-
Transaction costs	-	30,664	-	-
Transfer of inventories to property, plant and equipment	70,221	15,977	20,650	15,977

The notes to the interim consolidated and company financial statements on pages 13 to 37 are an integral part of these interim financial statements.



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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, Silom Road, Suriyawongse, 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 14 November 2011.

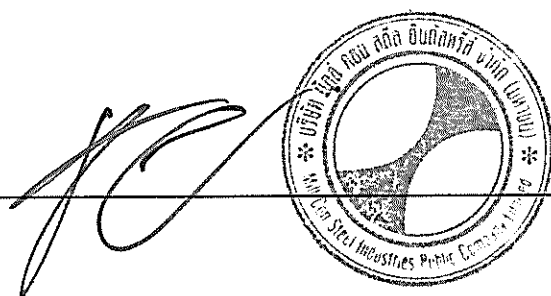
These interim consolidated and company financial statements have been reviewed, not audited.

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 nine-month period ended 30 September 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 nine-month period ended 30 September 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 September 2010.



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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.

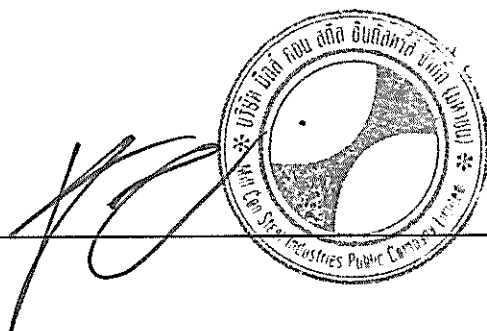
Costs that are incurred unevenly during the financial year are anticipated or deferred in the interim report only if it would also be appropriate to anticipate or defer such costs at the end of the financial year.

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.



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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 nine-month periods ended 30 September 2010 are as follows:

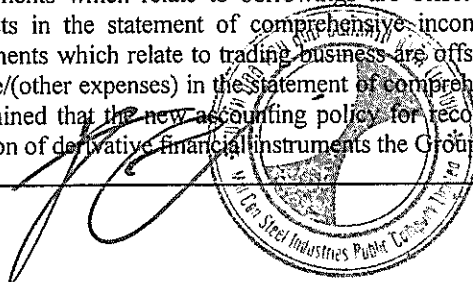
	Notes	Consolidated Baht'000 Increase/ (Decrease)	Company Baht'000 Increase/ (Decrease)
Statements of financial position as at 31 December 2010			
Derivative financial instruments (current assets)	4.1.2	6,161	2,747
Derivative financial instruments (non-current assets)	4.1.2	16,526	15,863
Property, plant and equipment, net	4.1.1	(406,582)	(387,101)
Derivative financial instruments (current liabilities)	4.1.2	(22,964)	(4,291)
Derivative financial instruments (non-current liabilities)	4.1.2	(7,982)	(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 September 2010			
Other income		12,502	(1,503)
Finance cost		(10,844)	(10,844)
Profit for the period		23,346	9,341
Basic earnings per share (Baht)		0.01	0.01
Diluted earnings per share (Baht)		0.01	0.01
Statements of comprehensive income for the nine-month period ended 30 September 2010			
Other income		15,834	1,829
Finance cost		(10,844)	(10,844)
Profit for the period		26,678	12,673
Basic earnings per share (Baht)		0.02	0.01
Diluted earnings per share (Baht)		0.02	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 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.



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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 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

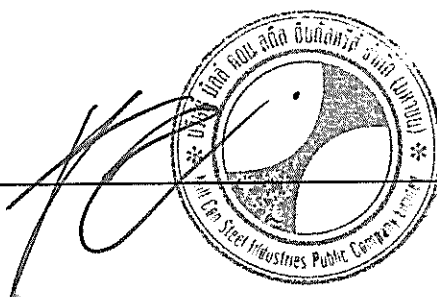
Under Labour Laws applicable in Thailand and the Group's employment policy, all employees completing 120 days of service are entitled to severance pay on termination or retrenchment without cause or upon retirement at the age of 60. The severance pay will be at the rate according to number of years of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

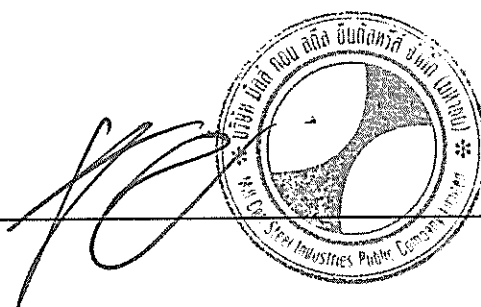
The Group's share of its associates' post-acquisition profits or losses is recognised in the statement of comprehensive income, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the 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 statements, investment in associate is accounted for using the cost method.

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



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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 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 nine-month periods ended 30 September 2011 are as follows:

	Consolidated Baht'000 Increase (decrease)	Company Baht'000 Increase (decrease)
For the three-month period ended 30 September 2011		
Depreciation charged for the period	(11,218)	(5,826)
Profit for the period	11,218	5,826
For the nine-month period ended 30 September 2011		
Depreciation charged for the period	(34,061)	(18,093)
Profit for the period	34,061	18,093

6 New interpretations of accounting standards during the nine-month period ended 30 September 2011

The following new interpretations were endorsed by the Government Gazette during the nine-month period ended 30 September 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.

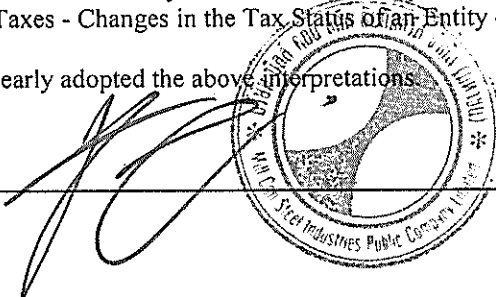
- b) Effective for periods beginning on or after 1 January 2013

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 and nine-month periods ended 30 September 2011 were Baht 136.38 million and Baht 439.20 million, respectively, equivalent to 3.54% and 3.81%, respectively, of total sales of goods and services (for the three-month and nine-month periods ended 30 September 2010: Baht 65.76 million and Baht 203.61 million, respectively, equivalent to 2.77% and 2.74%, respectively, of total sales of goods and services).

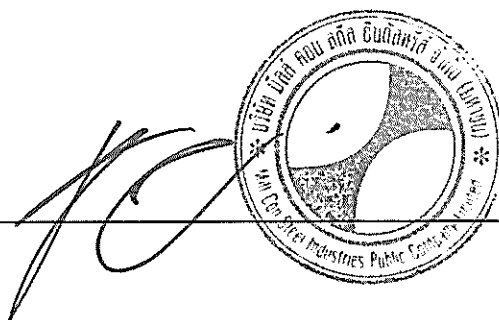
8 Trade accounts and notes receivable, net

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

	Consolidated		Company	
	30 September 2011 Baht'000	31 December 2010 Baht'000	30 September 2011 Baht'000	31 December 2010 Baht'000
Trade accounts receivable				
- third parties	1,004,092	1,190,202	867,759	1,111,293
- related parties (Note 9.3)	-	-	-	72,233
	1,004,092	1,190,202	867,759	1,183,526
Notes receivable				
- third parties	1,008,794	375,672	1,008,007	374,249
Total accounts and notes receivable	2,012,886	1,565,874	1,875,766	1,557,775
<u>Less</u> Allowance for doubtful accounts	(4,322)	(1,267)	(4,307)	(1,267)
Trade accounts and notes receivable, net	2,008,564	1,564,607	1,871,459	1,556,508

Trade accounts and notes receivable can be aged as follows:

	Consolidated		Company	
	30 September 2011 Baht'000	31 December 2010 Baht'000	30 September 2011 Baht'000	31 December 2010 Baht'000
Not yet due	1,613,050	1,299,817	1,590,581	1,366,309
Overdue not exceeding 3 months	345,722	234,206	237,054	182,413
Overdue 3 to 6 months	49,739	22,248	43,824	6,519
Overdue 6 to 12 months	5	9,552	-	2,534
Overdue more than 12 months	4,370	51	4,307	-
Total	2,012,886	1,565,874	1,875,766	1,557,775
<u>Less</u> Allowance for doubtful accounts	(4,322)	(1,267)	(4,307)	(1,267)
Trade accounts and notes receivable, net	2,008,564	1,564,607	1,871,459	1,556,508



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9 Related party transactions

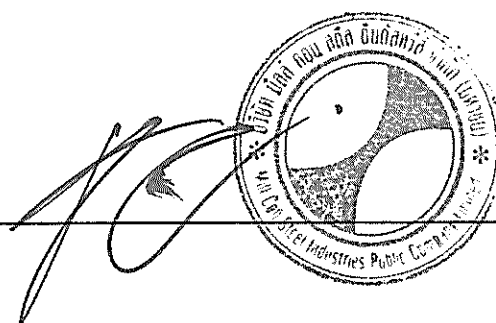
A group of individual shareholders who are members of the Company's management hold 26.59% interests in the Company's share capital. The Company's remaining shares are widely held.

The following transactions were carried out with related parties:

9.1 Revenues

For the three-month periods ended 30 September	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Sales of goods and services				
- Subsidiaries	-	-	448,216	426,359
- Related parties	-	64,857	-	-
Total sales of goods and services	-	64,857	448,216	426,359
Rental income				
- A subsidiary	-	-	63	63
Interest income				
- Subsidiaries	-	-	-	164
For the nine-month periods ended 30 September	Consolidated		Company	
	2011 Baht'000	2010 Baht'000	2011 Baht'000	2010 Baht'000
Sales of goods and services				
- Subsidiaries	-	-	1,719,294	1,192,089
- Related parties	-	327,014	-	87,830
Total sales of goods and services	-	327,014	1,719,294	1,279,919
Dividend income				
- A subsidiary	-	-	-	88,308
Income from disposals of fixed assets				
- A subsidiary	-	-	-	3,173
Rental income				
- A subsidiary	-	-	189	147
Interest income				
- Subsidiaries	-	-	-	499

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.



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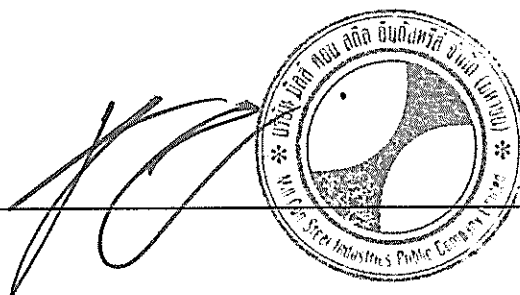
Mill Con Steel Industries Public Company Limited
 Condensed Notes to the Interim Consolidated and Company Financial Statements (Unaudited)
 For the nine-month periods ended 30 September 2011 and 2010

9 Related party transactions (Cont'd)

9.2 Expenses

	Consolidated		Company	
	2011	2010	2011	2010
For the three-month periods ended 30 September	Baht'000	Baht'000	Baht'000	Baht'000
Purchases of goods and services				
- Subsidiaries	-	-	482,102	333,490
- Related parties	652,615	240,532	638,071	218,451
Total purchases of goods and services	652,615	240,532	1,120,173	551,941
Rental expenses of factory buildings and machine				
- Subsidiaries	-	-	3,835	-
Directors' and management's remunerations				
- Short-term employee benefits	9,117	5,710	9,117	3,076
Interest expenses				
- Subsidiaries	-	-	-	17
For the nine-month periods ended 30 September	Baht'000	Baht'000	Baht'000	Baht'000
Purchases of goods and services				
- Subsidiaries	-	-	3,223,493	911,871
- Related parties	1,362,504	1,071,175	1,316,092	848,368
Total purchases of goods and services	1,362,504	1,071,175	4,539,585	1,760,239
Rental expenses of factory buildings and machine				
- Subsidiaries	-	-	3,835	-
Directors' and management's remunerations				
- Short-term employee benefits	26,677	21,139	22,652	10,917
Interest expenses				
- Subsidiaries	-	-	-	51

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.



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

9 Related party transactions (Cont'd)

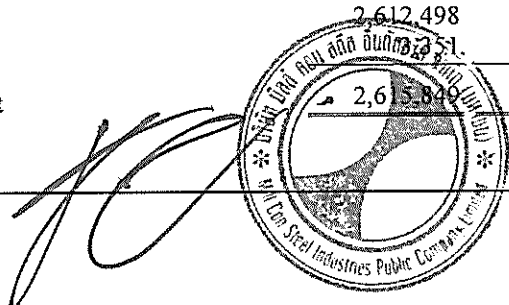
9.3 Outstanding balances arising from purchases and sales of goods and services

	Consolidated		Company	
	30 September 2011 Baht'000	31 December 2010 Baht'000	30 September 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	108,157	221,240	96,254	162,893
Total advances to suppliers for purchases of goods	108,157	221,240	96,254	323,618
Advance to subsidiaries				
- Subsidiaries	-	-	9,000	-
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	-	-	473,527	-
Other current liabilities				
- Subsidiaries	-	-	21,382	5,229
- Related parties	-	457	-	457
Total other current liabilities	-	457	21,382	5,686

10 Inventories, net

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

	Consolidated		Company	
	30 September 2011 Baht'000	31 December 2010 Baht'000	30 September 2011 Baht'000	31 December 2010 Baht'000
Raw materials	1,554,046	427,853	877,338	371,831
Spare parts and supplies	83,460	71,372	44,840	51,903
Semi-finished goods	39,519	26,042	39,519	26,041
Finished goods	937,768	1,517,160	870,470	578,805
	2,614,793	2,042,427	1,832,167	1,028,580
Less Allowance for net realisable value of inventories				
- Raw material	-	(182)	-	(129)
- Semi-finished goods	(26)	(44)	(26)	(44)
- Finished goods	(2,269)	(2,376)	(1,745)	(563)
	2,612,498	2,039,825	1,830,396	1,027,844
Goods in transit	-	-	-	-
Total inventories, net	2,612,498	2,039,825	1,830,396	1,027,844



Prom Saengjan

11 Investments in subsidiaries and an associate

11.1 Movements of net book amount of investments in subsidiaries for the nine-month period ended 30 September 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 quarter of 2011, Mill Con Burapa Co., Ltd. (formerly BRP Steel Co., Ltd.) called for additional paid-up share capital, totalling 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, totalling 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 nine-month period ended 30 September 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	(107)	-
	<u>2,893</u>	<u>3,000</u>
Closing net book amount	<u>2,893</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.

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

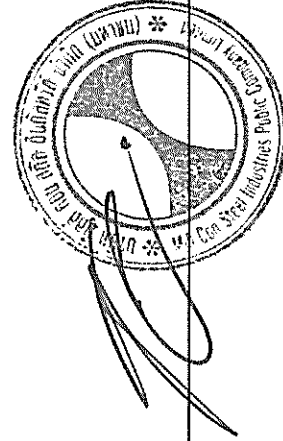
Subsidiaries	Nature of business	Paid-up share capital		Shareholding interest		Company Investment at cost	
		30 September 2011 (Baht'000)	31 December 2010 (Baht'000)	30 September 2011 (Percentage)	31 December 2010 (Percentage)	30 September 2011 (Baht'000)	31 December 2010 (Baht'000)
Mill Con Burapa Co., 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
						<u>2,529,115</u>	<u>2,166,890</u>

(*) 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 September 2011 (Baht'000)	31 December 2010 (Baht'000)	30 September 2011 (Percentage)	31 December 2010 (Percentage)	30 September 2011 (Baht'000)	31 December 2010 (Baht'000)	30 September 2011 (Baht'000)	31 December 2010 (Baht'000)
Ocean Profit Co., Ltd.	Wholesale of steel products	10,000	-	30.00	-	2,893	-	3,000	-
						<u>2,893</u>	<u>-</u>	<u>3,000</u>	<u>-</u>



Prom Sanyam

12 Property, plant, equipment and intangible assets

12.1 Movements of property, plant, equipment and intangible assets for the nine-month period ended 30 September 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	2,454,142	2,672	231,848	1,455
Depreciation/amortisation charges	(51,523)	(8,146)	(18,020)	(84)
Disposals - cost	(4,196)	-	(536)	-
- accumulated depreciation	4,160	-	500	-
Assets written off- cost	(2,802)	-	(2,274)	-
- accumulated depreciation	1,329	-	850	-
Closing net book amount	<u>5,723,994</u>	<u>67,639</u>	<u>1,087,850</u>	<u>4,858</u>

During the nine-month period ended 30 September 2011, the finance costs of Baht 77.08 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% - 8.03% 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 September 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.

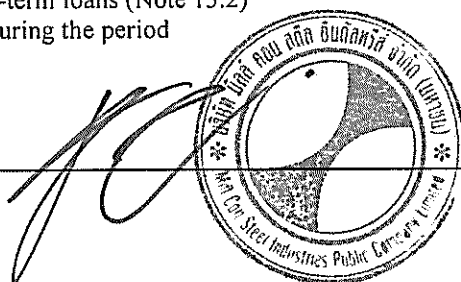
	Net book value (Baht'000)	
	30 September 2011	31 December 2010
Land, buildings and machinery of Mill Con Steel Industries Public Company Limited	854,036	787,252
Land, buildings and machinery of a subsidiary - Mill Con Burapa Co., Ltd.	361,728	366,832

13 Loans from financial institutions

13.1 Short-term loans from financial institutions

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

	Consolidated Baht'000	Company Baht'000
Beginning balance	3,805,249	3,050,316
Loans made during the period	14,687,817	10,238,107
Reclassified from long-term loans (Note 13.2)	574,864	595,638
Repayments of loans during the period	(14,164,600)	(10,387,782)
Ending balance	<u>4,903,330</u>	<u>3,496,279</u>



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 September 2011 and 31 December 2010 comprise the following:

	Consolidated		Company	
	30 September 2011 Baht'000	31 December 2010 Baht'000	30 September 2011 Baht'000	31 December 2010 Baht'000
Short-term loans - promissory note	3,349,301	2,707,606	2,385,487	1,977,606
Short-term loans - trust receipt	979,165	1,097,643	515,154	1,072,710
Short-term loans net of transaction cost (Note 13.2)	574,864	-	595,638	-
Total short-term loans from financial institutions	4,903,330	3,805,249	3,496,279	3,050,316

Short-term loans from financial institutions of the Company

As at 30 September 2011, short-term loans from promissory note of Baht 2,385 million and from trust receipt of Baht 515 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).

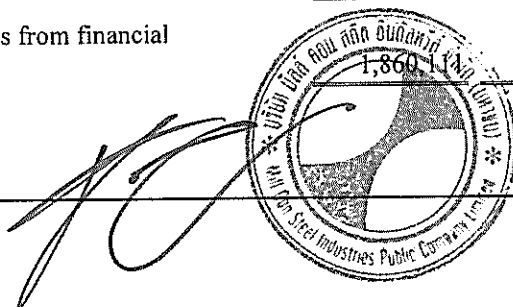
Short-term loans from financial institutions of a subsidiary

As at 30 September 2011, short-term loans from promissory note of Baht 964 million and from trust receipt of Baht 464 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 September 2011 Baht'000	31 December 2010 Baht'000	30 September 2011 Baht'000	31 December 2010 Baht'000
Current portion of long-term loans (Thai Baht currency)	31,800	15,000	31,800	15,000
Loans due later than 1 year				
- Thai Baht currency	1,850,076	296,394	136,700	14,750
- Euro currency	-	563,450	-	563,450
	1,850,076	859,844	136,700	578,200
Transaction costs, net	(21,765)	(25,448)	-	-
Loans due later than 1 year, net	1,828,311	834,396	136,700	578,200
Total long-term loans from financial institutions, net	1,860,144	849,396	168,500	593,200



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 nine-month period ended 30 September 2011 comprise the following:

	Consolidated Baht'000	Company Baht'000
Beginning balance	849,396	593,200
Loans made during the period	1,581,732	150,000
Repayments of long-term loans during the period	(11,250)	(11,250)
Transaction cost, net	(17,091)	-
Unrealised loss on exchange rate	32,188	32,188
Reclassified to short-term loans (Note 13.1)	(574,864)	(595,638)
Ending balance	<u>1,860,111</u>	<u>168,500</u>

From the calculation of financial ratios as at 30 September 2011, the Group noted that some of the financial ratios were not complied with the financial covenants specified in the long-term loans agreement. 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.

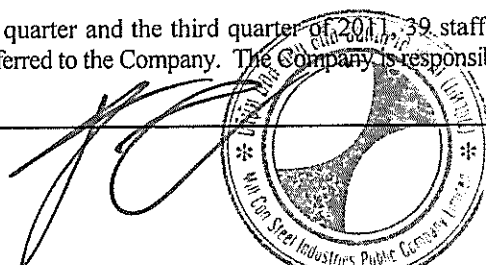
13.3 Unutilised credit facilities comprise the following:

	Consolidated			
	30 September 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	148,910	-	140,862	-
Floating rate				
- draw down with no time limitation	60,030	1,788,370	1,644,606	140,119
	<u>208,940</u>	<u>1,788,370</u>	<u>1,785,468</u>	<u>140,119</u>
	Company			
	30 September 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	148,910	-	140,862	-
Floating rate				
- draw down with no time limitation	37,500	1,469,360	26,250	119,684
	<u>186,410</u>	<u>1,469,360</u>	<u>167,112</u>	<u>119,684</u>

14 Retirement benefit obligations

	Consolidated Baht'000	Company Baht'000
For the nine-month period ended 30 September 2011		
Opening balance for the period (Note 4.2)	8,067	2,682
Retirement benefit expenses	1,114	608
Transfer of staff from a subsidiary	-	5,632
Closing balance for the period	<u>9,181</u>	<u>8,922</u>

During the second quarter and the third quarter of 2011, 39 staff and 116 staff, respectively of Mill Con Burapa Co., Ltd. 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 nine-month period ended 30 September 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 September 2011	2,112,199	294,864	1,566,463	294,864	626,585	117,946	731,608	1,089,888

As at 30 September 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), totalling 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), totalling 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.

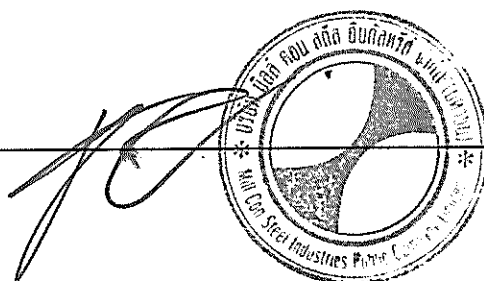
At the General Shareholders' meeting of the Company held on 22 April 2011, shareholders passed a resolution to approve the decrement in the Company's authorised share capital from Baht 1,062,723,352 to Baht 962,825,436 by cancelling the Company's unissued Group A preferred shares of 149,744,789 shares 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 September 2011, the cumulative preference share dividends amounting to Baht 47 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, totalling Baht 15,664,630, were already paid to shareholders during May and June 2011.



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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.

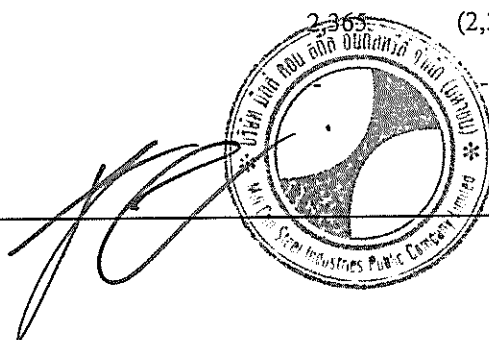
Foreign exchange forward contracts

	Consolidated		Company	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
Euro				
- Average exchange rate (Baht/Euro)	40.00 - 43.50	39.43 - 42.41	40.04 - 41.33	40.04 - 41.33
- Amount in Euro (in thousand)	21,304	41,278	14,000	14,000
- Amount in local currency (Thousand Baht)	878,627	1,689,673	571,477	571,477
US Dollar				
- Average exchange rate (Baht/USD)	30.08 - 30.68	29.78 - 31.09	30.08 - 30.68	29.78 - 31.09
- Amount in USD (in thousand)	7,065	14,237	5,851	13,979
- Amount in local currency (Thousand Baht)	215,176	433,281	178,386	425,505
Australia dollar				
- Average exchange rate (Baht/AUD)	-	28.50 - 29.17	-	-
- Amount in AUD (in thousand)	-	131	-	-
- Amount in local currency (Thousand Baht)	-	3,782	-	-

Net fair values

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

	Consolidated			
	30 September 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	3,404	3,220	6,223	3,377
- Non-current	16,500	25,349	12,280	16,526
US Dollar				
- Current	4,700	3,828	7,551	2,785
Derivative financial instruments (liabilities)				
- Foreign exchange forward contracts				
Euro				
- Current	1,400	(1,058)	14,525	(18,441)
- Non-current	-	-	8,250	(7,982)
US Dollar				
- Current	2,365	(2,313)	6,686	(4,298)
Australia Dollar				
- Current	-	-	132	(226)



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17 Financial instruments (Cont'd)

Net fair values (Cont'd)

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

	Company			
	30 September 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	23,131	9,800	15,863
US Dollar				
- Current	4,700	3,828	7,351	2,747
Derivative financial instruments (liabilities)				
- Foreign exchange forward contracts				
Euro				
- Current	-	-	-	-
- Non-current	-	-	4,200	(4,771)
US Dollar				
- Current	1,151	(1,118)	6,628	(4,291)

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 expenses

18.1 Other income

Other income for the three-month and nine-month periods ended 30 September 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 September				
Interest income	1,463	768	1,245	588
Net fair value gain from derivative financial instruments	-	8,630	980	-
Net gain on exchange rate	-	4,875	-	1,264
Others	7,448	3,277	6,389	693
Total other income	8,911	17,550	8,614	2,545
For the nine-month periods ended 30 September				
Interest income	4,058	4,064	3,396	4,197
Net fair value gain from derivative financial instruments	67,399	15,832	4,255	1,828
Net gain on exchange rate	-	14,034	-	10,808
Others	34,268	17,050	29,937	12,297
Total other income	105,725	50,980	37,588	29,130

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18 Other income/Other expenses (Cont'd)

18.2 Other expenses

Other expenses for the three-month and nine-month periods ended 30 September 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 September				
Net fair value loss from derivative financial instruments	46,513	-	-	1,503
Net loss on exchange rate	7,213	-	676	-
Total other expenses	53,726	-	676	1,503
For the nine-month periods ended 30 September				
Net loss on exchange rate	11,214	-	2,920	-
Total other expenses	11,214	-	2,920	-

19 Finance costs

Finance costs for the three-month and nine-month periods ended 30 September 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 September				
Interest expenses	93,938	50,354	90,034	37,851
Bank charge	13,701	3,120	13,701	3,120
Net (gain) loss from foreign exchange rate for loans and accrued interests	(32,283)	2,653	(32,283)	2,653
Net fair value (gain) loss from derivative financial instruments	29,534	(10,845)	29,534	(10,845)
Total finance costs	104,890	45,282	100,986	32,779
For the nine-month periods ended 30 September				
Interest expenses	229,816	139,022	222,446	102,667
Bank charge	33,051	16,112	33,051	16,112
Net loss from foreign exchange rate for loans and accrued interests	32,204	2,653	32,204	2,653
Net fair value gain from derivative financial instruments	(12,039)	(10,845)	(12,039)	(10,845)
Total finance costs	283,032	146,942	275,662	110,587

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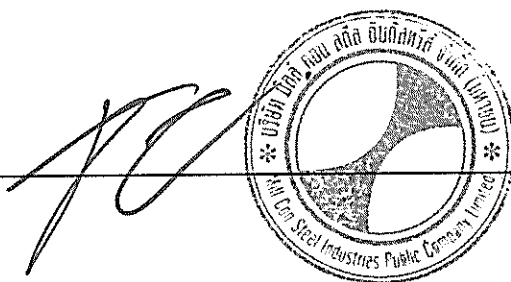
20 Basic earnings (loss) per share

Basic earnings (loss) per share and diluted earnings (loss) per share for the three-month and nine-month periods ended 30 September 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.

For the three-month periods ended 30 September	Consolidated		Company	
	2011	2010	2011	2010
Basic earnings (loss) per share				
Profit (loss) attributable to shares (Baht'000)	(93,484)	44,063	(30,436)	22,725
<u>Less</u> Dividend of preference share (Baht'000)	(16,197)	(13,866)	(16,197)	(13,866)
Profit (loss) attributable to ordinary shareholders (Baht'000)	(109,681)	30,197	(46,633)	8,859
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)	(0.07)	0.02	(0.03)	0.01
For the nine-month periods ended 30 September	Consolidated		Company	
	2011	2010	2011	2010
Basic earnings per share				
Profit attributable to shares (Baht'000)	166,020	110,427	96,262	170,922
<u>Less</u> Dividend of preference share (Baht'000)	(47,424)	(25,672)	(47,424)	(25,672)
Profit attributable to ordinary shareholders (Baht'000)	118,596	84,755	48,838	145,250
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)	0.08	0.06	0.03	0.10

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 (loss).



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

20 Basic earnings (loss) per share (Cont'd)

	Consolidated		Company	
	2011	2010	2011	2010
For the three-month periods ended 30 September				
Diluted earnings (loss) per share				
Profit (loss) attributable to shareholders (Baht'000)	(109,681)	30,197	(46,633)	8,859
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)	24,259	70,066	24,259	70,066
Weighted average number of ordinary shares for diluted earnings per share (Share'000)	1,590,722	1,502,566	1,590,722	1,502,566
Diluted earnings (loss) per share (Baht per share)	(0.07)	0.02	(0.03)	0.01
For the nine-month periods ended 30 September				
Diluted earnings per share				
Profit attributable to shareholders (Baht'000)	118,596	84,755	48,838	145,250
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)	24,259	70,066	24,259	70,066
Weighted average number of ordinary shares for diluted earnings per share (Share'000)	1,590,722	1,502,566	1,590,722	1,502,566
Diluted earnings per share (Baht per share)	0.07	0.06	0.03	0.10

21 Guarantees

21.1 Guarantee contract

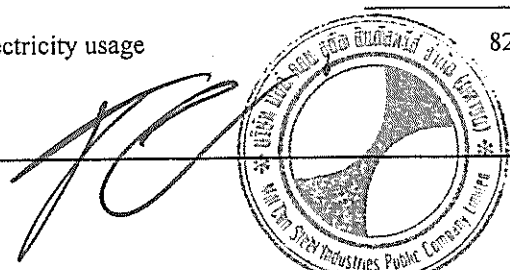
Guarantee contract of the Company as at 30 September 2011 and 31 December 2010 comprise the following:

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

21.2 Bank guarantee

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

	Consolidated		Company	
	30 September 2011	31 December 2010	30 September 2011	31 December 2010
	Million Baht	Million Baht	Million Baht	Million Baht
In respect of electricity usage	82	18	44	12



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22 Commitments

As at 30 September 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 September 2011 Million Baht	31 December 2010 Million Baht	30 September 2011 Million Baht	31 December 2010 Million Baht
Capital commitments	276	1,449	-	4
Operating lease commitments	25	31	79	18
Letter of credit for purchase of goods commitments				
- Thai Baht	-	38	-	38
- US Dollar	-	2	-	2
Service contract commitments	4	2	4	-

23 Subsequent events

23.1 Mill Con Steel Industries Public Company Limited

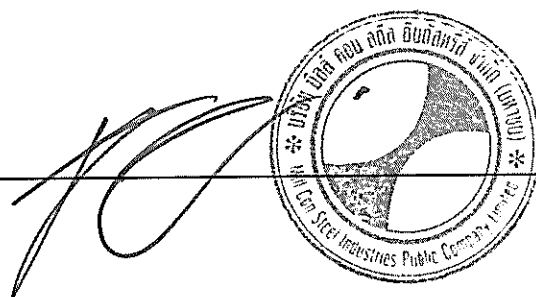
At the Extraordinary General Meeting of Shareholders no. 1/2011 held on 11 November 2011, shareholders passed resolutions to approve the matters as following:

23.1.1 Issuance and offer of convertible debenture not exceeding Baht 1,809 million in total

The shareholders approved the issue of convertible debenture amount of up to Baht 1,809 million from which will be used as part of investment in new ordinary shares of Ocean Profit Co., Ltd. and the remaining will be used as working capital, loan repayment and accommodation of business expansion, as detailed follows:

- a) Amount up to Baht 1,500 million to finance the investment in ordinary shares of Ocean Profit Co., Ltd. which will be subsequently used to acquire assets of Thai Special Sheet Industry Public Company Limited, and
- b) Amount up to Baht 309 million will be used as working capital, loan repayment and accommodation of business expansion.

However, the acquisition of assets of Thai Special Sheet Industry Public Company Limited is now under final negotiation with relevant contractual parties. It there is any incident that does not allow the acquisition to be successfully completed, the Company will not issue and offer the convertible debenture in the amount as stated in a) above.



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23 Subsequent events (Cont'd)

23.1 Mill Con Steel Industries Public Company Limited (Cont'd)

At the Extraordinary General Meeting of Shareholders no. 1/2011 held on 11 November 2011, shareholders passed resolutions to approve the matters as following: (Cont'd)

23.1.1 Issuance and offer of convertible debenture not exceeding Baht 1,809 million in total (Cont'd)

Summary of Features of Convertible Debentures (CDs) are as below:

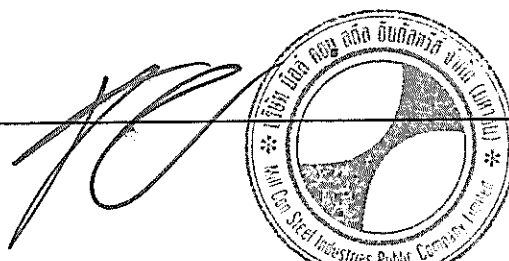
Type	: Non-guaranteed convertible debentures in a name certificate form representing the right to convert the CDs to ordinary shares of the Company
Offering size	: Not exceeding Baht 1,809,000,000
Offering price per unit	: Baht 1,000
Conversion ratio	: Principal amount of the CDs divided by the conversion price
Conversion price	: Baht 3 for 1 ordinary share
Interest (Coupon)	: 5% per annum (payable annually)
Face value of the CD	: Baht 1,000 per unit
Number of ordinary shares reserved for the conversion	: Not exceeding 603,000,000 shares
Term to maturity	: Not exceeding 6 years from the date on which the CDs are issued
Conversion period	: Voluntary Conversion: The holder of the CDs has the right to convert all or part of the CDs to ordinary shares of the Company on the last business day of each month. The CDs can be converted for the first time on the first month after one year starting from issuing date. The minimum conversion amount shall be 1,000 units, except for the month prior to the maturity date where, the holder shall have the right to convert all of the CDs held by him without any minimum conversion amount being required.

The Company will pay interest for CDs which have been converted by calculating until the date prior to the conversion date (excluding the conversion date). The number of days in each year used for interest calculation is 365 day.

Mandatory Conversion: The Company has the right to convert all or part of the CDs to ordinary shares of the Company on the last business day of each month. The CDs can be converted for the first time on the first month after one year starting from issuing date. The minimum conversion amount shall be 10% of the total CDs issued and sold which have not been converted. In case, there is more than one holder, the number of CDs to be converted shall be allocated proportionately to the units held by all holders.

In the event that the Company exercises the aforementioned conversion right and, as a result, the holder holds less than 1,000 units, that holder has the right to convert all of the remaining part of the CDs to ordinary shares of the Company on the last business day of each month.

In the event that the Company exercises the aforementioned conversion right, the Company will compensate the holder by paying the interest calculated from the conversion date until the maturity date with the discount rate of 5% per annum. The numbers of days in each year used for interest calculation is 365 day.



23 Subsequent events (Cont'd)

23.1 Mill Con Steel Industries Public Company Limited (Cont'd)

At the Extraordinary General Meeting of Shareholders no. 1/2011 held on 11 November 2011, shareholders passed resolutions to approve the matters as following: (Cont'd)

23.1.1 Issuance and offer of convertible debenture not exceeding Baht 1,809 million in total (Cont'd)

Summary of Features of Convertible Debentures are as below: (Cont'd)

Maturity period for : Until the maturity date
conversion of the CDs to
the Company's ordinary shares

Offering method : The CDs will be offered to specific investors not exceeding 10 investors during each 4-month period, as defined in Clause 32 (2) of the Notification of the Capital Market Supervisory Board No. TorJor 9/2552 regarding the Application and Permission to Offer for Sale Newly Issued Debentures.

Redemption on maturity date : The holders of the CDs shall convert all CDs held by them to ordinary shares of the Company at the conversion price on the maturity date.

23.1.2 Investment in new ordinary shares of Ocean Profit Co., Ltd.

The shareholders approved an investment in new ordinary shares of Ocean Profit Co., Ltd. in a total amount of Baht 1,500 million at the offer price of Baht 100 per share, which is equal to the par value. The proceeds from which will be used for the acquisition of assets of Thai Special Sheet Industry Public Company Limited. After the investment in which Ocean Profit Co., Ltd. will become a subsidiary of the Company with 99.54% shareholding interest.

23.1.3 Acquisition of assets of Thai Special Sheet Industry Public Company Limited by Ocean Profit Co., Ltd. which will be a subsidiary of the Company

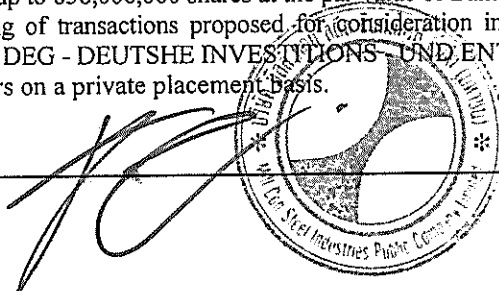
The shareholders approved Ocean Profit Co., Ltd., which will be a subsidiary of the Company, to use the proceeds from the capital increase to acquire assets of Thai Special Sheet Industry Public Company Limited. The assets to be acquired comprise machinery items used in manufacture of wire rod and land and construction items. However, the investment is subject to the consent from some financial institution creditors pursuant to the conditions set forth in the relevant loan agreements, for which the proceeding is underway.

23.1.4 Decrease of registered capital

The shareholders approved a reduction in its registered capital of 218,750,000 shares at the par value of Baht 0.40 per share, from existing registered capital of Baht 962,825,436 to Baht 875,325,436 by cancellation of ordinary shares not yet sold which are the shares issued to accommodate offering to DEG - DEUTSCHE INVESTITIONS - UND ENTWICKLUNGSGESELLSCHAFT MBH ("DEG").

23.1.5 Increase of registered capital

The shareholders approved an increase in its registered capital from Baht 875,325,436 to Baht 1,218,525,436 by issuing ordinary shares up to 858,000,000 shares at the par value of Baht 0.40 per share, totalling Baht 343,200,000, to accommodate making of transactions proposed for consideration in Notes 23.1.1, 23.1.2 and 23.1.3 and for issuance and offering to DEG - DEUTSCHE INVESTITIONS - UND ENTWICKLUNGSGESELLSCHAFT MBH and/or specific investors on a private placement basis.



23 Subsequent events (Cont'd)

23.1 Mill Con Steel Industries Public Company Limited (Cont'd)

At the Extraordinary General Meeting of Shareholders no. 1/2011 held on 11 November 2011, shareholders passed resolutions to approve the matters as following: (Cont'd)

23.1.6 Allocation of new ordinary shares

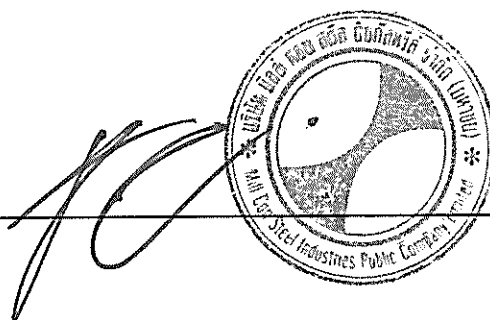
With its registered capital increase by issuing 858,000,000 ordinary shares at the par value of Baht 0.40 per share, the shareholders approved an allocation of such new ordinary shares as follows:

- 1) Allocation of new ordinary shares of up to 255,000,000 shares at the par value of Baht 0.40 per share to DEG - DEUTSHE INVESTITIONS - UND ENTWICKLUNGSGESELLSCHAFT MBH ("DEG") and/or specific persons on a private placement basis, at the offer price not lower than Baht 2.70 per share.
- 2) Allocation of new ordinary shares of up to 603,000,000 shares at the par value of Baht 0.40 per share to accommodate exercise of conversion right of convertible debenture issued by the Company.

23.2 Mill Con Burapa Co., Ltd.

23.2.1 Leasing Agreement

On 18 October 2011, Mill Con Burapa Co., Ltd., which is the Company's subsidiary, entered into a hire purchase agreement for excavators with a lessor. The rental period is 3 years starting from 1 November 2011 to 1 October 2014. The total lease cost throughout the rental period is Baht 18 million. The Company as a shareholder guaranteed for this total amount of lease liability.



Purin Sanyayon