

Pacific Pipe Public Company Limited and its subsidiaries
Report and consolidated interim financial statements
For the three-month period ended 31 March 2013

Independent Auditor's Report on Review of Interim Financial Information

To the Shareholders of Pacific Pipe Public Company Limited

I have reviewed the accompanying consolidated statement of financial position of Pacific Pipe Public Company Limited and its subsidiaries as at 31 March 2013, the related consolidated statements of comprehensive income, changes in shareholders' equity, and cash flows for the three-month period then ended, as well as the condensed notes to the consolidated financial statements. I have also reviewed the separate financial information of Pacific Pipe Public Company Limited for the same period. Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*. My responsibility is to express a conclusion on this interim financial information based on my review.

Scope of Review

I conducted my review in accordance with Thai Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Thai Standards on Auditing and consequently does not enable me to obtain assurance that I would become aware of all significant matters that might be identified in an audit. Accordingly, I do not express an audit opinion.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the accompanying interim financial information is not prepared, in all material respects, in accordance with Thai Accounting Standard 34 *Interim Financial Reporting*.

Emphasis of matter

I draw attention to Note 3 to the financial statements regarding the change in accounting policy as the result of adoption of Thai Accounting Standard 12 Income Taxes. My conclusion is not qualified in respect of this matter.

Chonlaros Suntiasvaraporn
Certified Public Accountant (Thailand) No. 4523

Ernst & Young Office Limited
Bangkok: 14 May 2013

Pacific Pipe Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2013

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements			
	Note	31 March 2013	31 December 2012	1 January 2012	31 March 2013	31 December 2012	1 January 2012
		(Unaudited but reviewed)	(Audited) (Restated)	(Audited) (Restated)	(Unaudited but reviewed)	(Audited) (Restated)	(Audited) (Restated)
Assets							
Current assets							
Cash and cash equivalents		255,441	287,435	149,084	124,420	160,240	47,873
Trade and other receivables	5	633,513	599,732	488,696	630,173	597,037	501,013
Inventories	6	2,303,556	1,649,217	1,600,141	2,289,811	1,648,649	1,600,141
Advance for raw material	7	325,117	352,996	55,781	325,117	352,996	55,781
Other current assets		66,860	52,162	3,003	65,855	51,164	1,993
Total current assets		3,584,487	2,941,542	2,296,705	3,435,376	2,810,086	2,206,801
Non-current assets							
Restricted bank deposits		-	-	66,169	-	-	66,169
Investments in subsidiaries		-	-	-	11,996	11,996	11,996
Property, plant and equipment	8	1,085,088	1,079,830	1,046,892	1,044,053	1,041,587	1,014,552
Intangible assets		34,086	35,006	36,465	33,987	34,898	36,360
Deferred tax assets	3	15,326	12,818	16,113	11,686	9,195	12,444
Other non-current assets		125	125	124	-	-	-
Total non-current assets		1,134,625	1,127,779	1,165,763	1,101,722	1,097,676	1,141,521
Total assets		4,719,112	4,069,321	3,462,468	4,537,098	3,907,762	3,348,322

The accompanying notes are an integral part of the financial statements.

Pacific Pipe Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2013

(Unit: Thousand Baht)

	Note	Consolidated financial statements			Separate financial statements		
		31 March 2013	31 December 2012	1 January 2012	31 March 2013	31 December 2012	1 January 2012
		(Unaudited but reviewed)	(Audited) (Restated)	(Audited) (Restated)	(Unaudited but reviewed)	(Audited) (Restated)	(Audited) (Restated)
Liabilities and shareholders' equity							
Current liabilities							
Short-term loans from financial institutions	9	2,158,465	1,774,607	1,370,913	2,158,465	1,774,607	1,370,913
Trade and other payables	10	124,866	117,518	65,756	128,099	119,957	69,597
Short-term loan from related party	4	75,000	75,000	-	75,000	75,000	-
Current portion of long-term loan from related party	4	592	1,471	3,420	-	-	-
Income tax payable		95,305	45,419	27,954	83,226	37,384	20,307
Other current liabilities		38,045	27,401	48,963	31,273	20,962	45,675
Total current liabilities		2,492,273	2,041,416	1,517,006	2,476,063	2,027,910	1,506,492
Non-current liabilities							
Long-term loan from related party, net of current portion	4	-	-	1,471	-	-	-
Provision for long-term employee benefits	11	12,821	12,418	12,039	10,368	10,055	9,435
Deferred tax liabilities	3	9,388	8,055	4,126	9,388	8,055	4,126
Total non-current liabilities		22,209	20,473	17,636	19,756	18,110	13,561
Total liabilities		2,514,482	2,061,889	1,534,642	2,495,819	2,046,020	1,520,053

The accompanying notes are an integral part of the financial statements.

Pacific Pipe Public Company Limited and its subsidiaries

Statement of financial position (continued)

As at 31 March 2013

(Unit: Thousand Baht)

Note	Consolidated financial statements			Separate financial statements		
	31 March 2013	31 December 2012	1 January 2012	31 March 2013	31 December 2012	1 January 2012
	(Unaudited but reviewed)	(Audited) (Restated)	(Audited) (Restated)	(Unaudited but reviewed)	(Audited) (Restated)	(Audited) (Restated)
Shareholders' equity						
Share capital						
Registered						
660,000,000 ordinary shares of Baht 1 each	660,000	660,000	660,000	660,000	660,000	660,000
Issued and fully paid up						
660,000,000 ordinary shares of Baht 1 each	660,000	660,000	660,000	660,000	660,000	660,000
Share premium						
Share premium on ordinary shares	514,845	514,845	514,845	514,845	514,845	514,845
Surplus on treasury shares	1,011	1,011	1,011	1,011	1,011	1,011
Retained earnings						
Appropriated - statutory reserve	67,000	67,000	67,000	67,000	67,000	67,000
Unappropriated	961,774	764,576	684,970	798,423	618,886	585,413
Total shareholders' equity	2,204,630	2,007,432	1,927,826	2,041,279	1,861,742	1,828,269
Total liabilities and shareholders' equity	4,719,112	4,069,321	3,462,468	4,537,098	3,907,762	3,348,322
	-	-	-	-	-	-

The accompanying notes are an integral part of the financial statements.

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Directors
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(Unaudited but reviewed)

Pacific Pipe Public Company Limited and its subsidiaries

Statement of comprehensive income

For the three-month period ended 31 March 2013

(Unit: Thousand Baht, except earnings per share expressed in Baht)

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
			(Restated)		(Restated)
Profit or loss					
Revenues					
Sales and service income	4	1,878,047	1,686,781	1,862,596	1,655,749
Exchange gain		20,017	14,838	20,017	14,838
Other income		38,535	28,274	38,075	43,481
Total revenues		<u>1,936,599</u>	<u>1,729,893</u>	<u>1,920,688</u>	<u>1,714,068</u>
Expenses					
Cost of sales and services		1,584,885	1,573,225	1,583,619	1,573,030
Selling expenses		31,414	32,917	46,236	40,853
Administrative expenses		57,785	47,107	50,972	42,993
Total expenses		<u>1,674,084</u>	<u>1,653,249</u>	<u>1,680,827</u>	<u>1,656,876</u>
Profit before finance cost					
and income tax expenses		262,515	76,644	239,861	57,192
Finance cost		(15,525)	(15,048)	(15,317)	(14,810)
Profit before income tax expenses		<u>246,990</u>	<u>61,596</u>	<u>224,544</u>	<u>42,382</u>
Income tax expenses	12	(49,792)	(16,039)	(45,007)	(11,438)
Profit for the period		<u>197,198</u>	<u>45,557</u>	<u>179,537</u>	<u>30,944</u>
Other comprehensive income for the period					
		-	-	-	-
Total comprehensive income for the period					
		<u>197,198</u>	<u>45,557</u>	<u>179,537</u>	<u>30,944</u>
Earnings per share					
Basic earnings per share					
Profit for the period	13	<u>0.30</u>	<u>0.07</u>	<u>0.27</u>	<u>0.05</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Pacific Pipe Public Company Limited and its subsidiaries

Cash flow statement

For the three-month period ended 31 March 2013

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cash flows from operating activities				
Profit before tax	246,990	61,596	224,544	42,382
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	26,684	24,542	24,964	22,902
Allowance for doubtful accounts	32	544	43	559
Decrease of inventory to net realisable value (reversal)	12,102	(3,445)	12,102	(3,445)
Loss on sales of equipment	10	130	10	128
Provision for long-term employee benefits	403	376	313	291
Unrealised gain on exchange	(15,376)	(1,559)	(15,376)	(1,559)
Interest income	(6)	(371)	(2)	(367)
Interest expenses	15,047	14,632	15,034	14,580
Profit from operating activities before changes in operating assets and liabilities	285,886	96,445	261,632	75,471
Operating assets (increase) decrease				
Trade and other receivables	(33,795)	(94,559)	(33,161)	(68,852)
Inventories	(666,441)	(79,889)	(653,264)	(79,889)
Advance for raw material	27,878	7,582	27,878	7,582
Other current assets	(14,698)	(12,704)	(14,690)	(12,687)
Other non-current assets	-	(7)	-	-
Operating liabilities increase (decrease)				
Trade and other payables	7,434	7,391	8,228	10,000
Other current liabilities	10,644	(13,555)	10,311	(12,894)
Other non-current liabilities	-	(580)	-	-
Cash flows used in operating activities	(383,092)	(89,876)	(393,066)	(81,269)
Cash paid for interest expenses	(15,134)	(14,958)	(15,121)	(14,906)
Cash paid for corporate income tax	(1,080)	(927)	(323)	(331)
Net cash flows used in operating activities	(399,306)	(105,761)	(408,510)	(96,506)

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Pacific Pipe Public Company Limited and its subsidiaries

Cash flow statement (continued)

For the three-month period ended 31 March 2013

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Cash flows from investing activities				
Decrease in restricted bank deposits	-	1,233	-	1,233
Acquisition of equipment	(30,932)	(24,281)	(26,429)	(18,907)
Acquisition of intangible assets	(100)	(407)	(100)	(407)
Interest income	6	381	2	377
Net cash flows used in investing activities	<u>(31,026)</u>	<u>(23,074)</u>	<u>(26,527)</u>	<u>(17,704)</u>
Cash flows from financing activities				
Increase in short-term loans from financial institutions	399,217	159,932	399,217	159,932
Repayment of long-term loan from related party	(879)	(840)	-	-
Net cash flows from financing activities	<u>398,338</u>	<u>159,092</u>	<u>399,217</u>	<u>159,932</u>
Net increase (decrease) in cash and cash equivalents	<u>(31,994)</u>	<u>30,257</u>	<u>(35,820)</u>	<u>45,722</u>
Cash and cash equivalents at beginning of period	<u>287,435</u>	<u>149,084</u>	<u>160,240</u>	<u>47,873</u>
Cash and cash equivalents at end of period	<u><u>255,441</u></u>	<u><u>179,341</u></u>	<u><u>124,420</u></u>	<u><u>93,595</u></u>
	-		-	

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Pacific Pipe Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity

For the three-month period ended 31 March 2013

(Unit: Thousand Baht)

	Consolidated financial statements					Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Surplus on treasury shares	Retained earnings		
				Appropriated	Unappropriated	
Balance as at 31 December 2011 - as previously reported	660,000	514,845	1,011	67,000	672,983	1,915,839
Cumulative effect of change in accounting policy for deferred tax (Note 3)	-	-	-	-	11,987	11,987
Balance as at 31 December 2011 - as restated	660,000	514,845	1,011	67,000	684,970	1,927,826
Total comprehensive income for the period - restated	-	-	-	-	45,557	45,557
Balance as at 31 March 2012 - as restated	<u>660,000</u>	<u>514,845</u>	<u>1,011</u>	<u>67,000</u>	<u>730,527</u>	<u>1,973,383</u>
Balance as at 31 December 2012 - as previously reported	660,000	514,845	1,011	67,000	759,813	2,002,669
Cumulative effect of change in accounting policy for deferred tax (Note 3)	-	-	-	-	4,763	4,763
Balance as at 31 December 2012 - as restated	660,000	514,845	1,011	67,000	764,576	2,007,432
Total comprehensive income for the period	-	-	-	-	197,198	197,198
Balance as at 31 March 2013	<u>660,000</u>	<u>514,845</u>	<u>1,011</u>	<u>67,000</u>	<u>961,774</u>	<u>2,204,630</u>

The accompanying notes are an integral part of the financial statements.

(Unaudited but reviewed)

Pacific Pipe Public Company Limited and its subsidiaries

Statement of changes in shareholders' equity (continued)

For the three-month period ended 31 March 2013

(Unit: Thousand Baht)

	Separate financial statements					Total shareholders' equity
	Issued and fully paid-up share capital	Share premium	Surplus on treasury shares	Retained earnings		
				Appropriated	Unappropriated	
Balance as at 31 December 2011 - as previously reported	660,000	514,845	1,011	67,000	577,095	1,819,951
Cumulative effect of change in accounting policy for deferred tax (Note 3)	-	-	-	-	8,318	8,318
Balance as at 31 December 2011 - as restated	660,000	514,845	1,011	67,000	585,413	1,828,269
Total comprehensive income for the period - restated	-	-	-	-	30,944	30,944
Balance as at 31 March 2012 - as restated	<u>660,000</u>	<u>514,845</u>	<u>1,011</u>	<u>67,000</u>	<u>616,357</u>	<u>1,859,213</u>
Balance as at 31 December 2012 - as previously reported	660,000	514,845	1,011	67,000	617,746	1,860,602
Cumulative effect of change in accounting policy for deferred tax (Note 3)	-	-	-	-	1,140	1,140
Balance as at 31 December 2012 - as restated	660,000	514,845	1,011	67,000	618,886	1,861,742
Total comprehensive income for the period	-	-	-	-	179,537	179,537
Balance as at 31 March 2013	<u>660,000</u>	<u>514,845</u>	<u>1,011</u>	<u>67,000</u>	<u>798,423</u>	<u>2,041,279</u>

The accompanying notes are an integral part of the financial statements.

Pacific Pipe Public Company Limited and its subsidiaries

Notes to consolidated interim financial statements

For the three-month period ended 31 March 2013

1. General information

1.1 Corporate information

Pacific Pipe Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. Its major shareholder is Tang Mong Seng Holding Company Limited, which was incorporated in Thailand. The Company is principally engaged in manufacturing and distribution of steel pipes for construction work. The registered office of the Company is at 298, 298/2, Soi Klabcharoen, Suksawat Road, Tambon Pakklongbangplakod, Amphur Phrasamutjedi, Samutprakarn.

1.2 Basis for the preparation of interim financial statements

These interim financial statements are prepared in accordance with Accounting Standard No. 34 (revised 2009) "Interim Financial Reporting", with the Company choosing to present condensed interim financial statements. However, the Company has presented the statements of financial position, comprehensive income, changes in shareholders' equity, and cash flows in the same format as that used for the annual financial statements.

The interim financial statements are intended to provide information additional to that included in the latest annual financial statements. Accordingly, they focus on new activities, events and circumstances so as not to duplicate information previously reported. These interim financial statements should therefore be read in conjunction with the latest annual financial statements.

The interim financial statements in Thai language are the official statutory financial statements of the Company. The interim financial statements in English language have been translated from the Thai language interim financial statements.

1.3 Basis of consolidation

The consolidated interim financial statements included the financial statements of the Company and its subsidiaries (“the Group”) and have been prepared on the same basis as that applied for the consolidated financial statements for the year ended 31 December 2012. There has been no change in the composition of the Group during the current period.

1.4 Application of new accounting standards during the period

The Federation of Accounting Professions issued the following accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance that are effective for fiscal years beginning on or after 1 January 2013.

Accounting standards:

TAS 12	Income Taxes
TAS 20 (revised 2009)	Accounting for Government Grants and Disclosure of Government Assistance
TAS 21 (revised 2009)	The Effects of Changes in Foreign Exchange Rates

Financial Reporting Standard:

TFRS 8	Operating Segments
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Accounting Standard Interpretations:

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

Accounting Treatment Guidance for Transfers of Financial Assets

These accounting standards, financial reporting standard, accounting standard interpretations and accounting treatment guidance do not have any significant impact on the financial statements, except for the following accounting standard.

TAS 12 *Income Taxes*

This accounting standard requires an entity to identify temporary differences arising from differences between the carrying amount of an asset or liability in the accounting records and its tax base in order to recognise the tax effects as deferred tax assets or liabilities subjecting to certain recognition criteria. The Company and its subsidiaries have changed this accounting policy in this current quarter and restated the prior year's financial statements, presented as comparative information, as though the Company and its subsidiaries had initially recognised the tax effects as deferred tax assets or liabilities. The cumulative effect of this change in accounting policy has been presented in Note 3 to the financial statements.

1.5 Significant accounting policies

The interim financial statements are prepared using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2012, except for the change in the accounting policy due to the adoption of TAS 12 *Income Taxes* as follow:

Income tax

Income tax expense represents the sum of corporate income tax currently payable and deferred tax.

Current tax

Current income tax is provided in the accounts at the amount expected to be paid to the taxation authorities, based on taxable profits determined in accordance with tax legislation.

Deferred tax

Deferred income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts at the end of each reporting period, using the tax rates enacted at the end of the reporting period.

The Company and its subsidiaries recognise deferred tax liabilities for all taxable temporary differences while they recognise deferred tax assets for all deductible temporary differences and tax losses carried forward to the extent that it is probable that future taxable profit will be available against which such deductible temporary differences and tax losses carried forward can be utilised.

At each reporting date, the Company and its subsidiaries review and reduce the carrying amount of deferred tax assets to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

The Company and its subsidiaries record deferred tax directly to shareholders' equity if the tax relates to items that are recorded directly to shareholders' equity.

2. New accounting standards issued during the period and not yet effective

The Federation of Accounting Professions has issued notifications, which are published in the Royal Gazette during the current period, mandating the use of financial reporting standard, accounting standard interpretation and financial reporting standard interpretations as follows.

	<u>Effective date</u>
Financial Reporting Standard:	
TFRS 4 Insurance Contracts	1 January 2016
Accounting Standard Interpretation:	
TSIC 29 Service Concession Arrangements: Disclosures	1 January 2014
Financial Reporting Standard Interpretations:	
TFRIC 1 Changes in Existing Decommissioning, Restoration and Similar Liabilities	1 January 2014
TFRIC 4 Determining whether an Arrangement contains a Lease	1 January 2014
TFRIC 5 Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	1 January 2014
TFRIC 7 Applying the Restatement Approach under TAS 29 Financial Reporting in Hyperinflationary Economies	1 January 2014
TFRIC 10 Interim Financial Reporting and Impairment	1 January 2014
TFRIC 12 Service Concession Arrangements	1 January 2014
TFRIC 13 Customer Loyalty Programmes	1 January 2014

The management of the Company has assessed the effect of the above financial reporting standard, accounting standard interpretation and financial reporting standard interpretations and believes that they are not relevant to the business of the Company and its subsidiaries.

3. Cumulative effect of the change in accounting policies due to the adoption of new accounting standard

During the current period, the Company and its subsidiaries made the change described in Note 1.5 to the financial statements to their significant accounting policies, as a result of the adoption of TAS 12 *Income Taxes*. The cumulative effect of the change in the accounting policy has been separately presented in the statements of changes in shareholders' equity.

The amounts of adjustments affecting the statements of financial position and the statements of comprehensive income are summarised below.

(Unit: Thousand Baht)

	Consolidated financial statements			Separate financial statements		
	As at	As at	As at	As at	As at	As at
	31 March	31 December	1 January	31 March	31 December	1 January
	2013	2012	2012	2013	2012	2012
Statements of financial position						
Increase in deferred tax assets	15,326	12,818	16,113	11,686	9,195	12,444
Increase in deferred tax liabilities	9,388	8,055	4,126	9,388	8,055	4,126
Increase in unappropriated retained earnings	5,938	4,763	11,987	2,298	1,140	8,318

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	For the three-month period ended	For the three-month period ended	For the three-month period ended	For the three-month period ended
	31 March 2013	31 March 2012	31 March 2013	31 March 2012
Statements of comprehensive income				
Profit or loss:				
Increase (decrease) in income tax	(1,175)	1,590	(1,158)	1,488
Increase (decrease) in profit for the period	1,175	(1,590)	1,158	(1,488)
Increase (decrease) in basic earnings per share (Baht / share)	0.002	(0.003)	0.002	(0.002)

4. Related party transactions

The followings are relationships between the Company and related parties.

Name of entities	Nature of relationships
Tang Mong Seng Holding Company Limited	Major shareholder, 39.05% shareholding
Tamose Trading Company Limited	Subsidiary, 99.94% shareholding, all directors are representatives of the Company
Meesup Transport Company Limited	Subsidiary, 99.97% shareholding, all directors are representatives of the Company
Key management personnel	Persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of the Group.

During the periods, the Company and its subsidiaries had significant business transactions with related parties. Such transactions, which are summarised below, arose in the ordinary course of business and were concluded on commercial terms and bases agreed upon between the Company and those related parties.

(Unit: Million Baht)

	For the three-month periods ended 31 March				Transfer Pricing Policy
	Consolidated		Separate		
	financial statements	financial statements	financial statements	financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	894.1	801.2	<i>Reference to market price</i>
Rental income	-	-	0.2	0.2	<i>Contract price</i>
Service income	-	-	0.2	0.2	<i>Contract price</i>
Commission paid	-	-	18.6	15.9	<i>Contract price</i>
Transportation expenses	-	-	21.6	15.5	<i>Reference to market price</i>
<u>Transactions with related party</u>					
Interest expense	0.8	0.1	0.8	-	<i>4 and 4.5 percent per annum</i>
Office rental and service expense	0.8	0.8	-	-	<i>Contract price</i>
<u>Transaction with related persons</u>					
Land rental	0.8	0.8	0.8	0.8	<i>Contract price</i>

(Unaudited but reviewed)

The balances of the accounts as at 31 March 2013 and 31 December 2012 between the Company and those related parties are as follows:

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	31 March	31 December	31 March	31 December
	2013	2012	2013	2012
<u>Trade receivable - related party (Note 5)</u>				
Tamose Trading Company Limited	-	-	268,897	221,299
Total trade receivable - related party	-	-	268,897	221,299
<u>Other receivables - related parties (Note 5)</u>				
Tamose Trading Company Limited	-	-	186	-
Meesup Transport Company Limited	-	-	30	-
Total other receivables - related parties	-	-	216	-
<u>Other payables - related parties (Note 10)</u>				
Tamose Trading Company Limited	-	-	15,108	12,641
Meesup Transport Company Limited	-	-	3,532	2,692
Directors	830	-	830	-
Total other payables - related parties	830	-	19,470	15,333

Loans from related party

As at 31 March 2013 and 31 December 2012, the balances of short-term and long-term loans from related company and the movement are as follows:

(Unit: Thousand Baht)

	Consolidated / Separate financial statements			
	Balance as at	Movement during the period		Balance as at
	31 December 2012	Increase	Decrease	31 March 2013
Short-term loan				
Tang Mong Seng Holding Company Limited	75,000	-	-	75,000

The above short-term loan represents the loan that the Company has borrowed from Tang Mong Seng Holding Company Limited, carrying interest at a rate of 4 percent per annum (2012: 4 percent per annum). This loan is unsecured and due for repayment in July 2013.

(Unaudited but reviewed)

(Unit: Thousand Baht)

Long-term loan	Consolidated financial statements			
	Balance as at	Movement during the period		Balance as at
	31 December 2012	Increase	Decrease	31 March 2013
Tang Mong Seng Holding Company Limited	1,471	-	(879)	592

The above long-term loan represents the loan that the subsidiary has borrowed from Tang Mong Seng Holding Company Limited. This loan carries interest at a rate of 4.5 percent per annum (2012: 4.5 percent per annum) and to be repaid on a monthly basis for 36 months from the contract date. The loan is secured by the pledge of the subsidiary's vehicles.

Directors and management's benefits

During the three-month periods ended 31 March 2013 and 2012, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2013</u>	<u>2012</u>	<u>2013</u>	<u>2012</u>
Short-term employee benefits	8,219	7,743	6,988	6,823
Post-employment benefits	304	188	280	151
Total	<u>8,523</u>	<u>7,931</u>	<u>7,268</u>	<u>6,974</u>

Guarantee obligations with related party

The Company has outstanding guarantee obligations with its related party, as described in Note 14 to the financial statements.

5. Trade and other receivables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2013	2012	2013	2012
<u>Trade receivable - related party</u>				
Aged on the basis of due dates				
Not yet due	-	-	229,215	175,410
Past due				
Up to 3 months	-	-	39,682	45,889
Total trade receivable - related party (Note 4)	-	-	268,897	221,299
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	522,814	449,783	280,099	264,598
Past due				
Up to 3 months	100,389	138,224	72,390	101,598
3 - 6 months	2,031	2,064	2,048	2,135
6 - 12 months	6,170	8,820	4,672	6,623
Over 12 months	25,585	24,285	9,583	8,473
Total	656,989	623,176	368,792	383,427
Less: Allowance for doubtful debts	(23,476)	(23,444)	(7,732)	(7,689)
Total trade receivables - unrelated parties, net	633,513	599,732	361,060	375,738
Total trade receivables - net	633,513	599,732	629,957	597,037
<u>Other receivables</u>				
Other receivables - related parties	-	-	216	-
Total other receivables - related parties (Note 4)	-	-	216	-
Total trade and other receivables - net	633,513	599,732	630,173	597,037

6. Inventories

Movements in the reduce cost of inventory to net realisable value account during the three-month period ended 31 March 2013 are summarised below.

	(Unit: Thousand Baht) Consolidated / Separate financial statements
Balance as at 1 January 2013	10,230
Add: Record during the period	12,102
Balance as at 31 March 2013	22,332

7. Advance for raw material

	(Unit: Thousand Baht) Consolidated / Separate financial statements	
	31 March 2013	31 December 2012
Advance for raw material	343,117	370,996
Less: Allowance for impairment	(18,000)	(18,000)
	325,117	352,996

The advance payment for raw materials included advance cash payment of Baht 33 million (31 December 2012: Baht 33 million) to purchase raw materials from a supplier. However, the supplier was unable to deliver the raw materials to the Company during the year 2011. Subsequently, the Company negotiated a revised delivery schedule but the supplier failed to meet the schedule again and stopped delivering the goods to the Company from June 2012 onwards. However, the Company has already set up allowance for impairment of Baht 18 million into accounts.

From the causes above, the supplier has negotiated with the Company how to settle the advance for raw materials. In April 2013, the Company and the supplier entered into a settlement agreement to repayment the outstanding within 3 years. The Company's management does not expect to incur losses in excess of the impairment loss as recorded in the financial statements.

8. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2013 are summarised below.

	(Unit: Thousand Baht)	
	Consolidated	Separate
	<u>financial statements</u>	<u>financial statements</u>
Net book value as at 1 January 2013	1,079,830	1,041,587
Acquisitions during the period - at cost	30,932	26,429
Disposals during the period - net book value at disposal date	(10)	(10)
Depreciation for the period	(25,664)	(23,953)
Net book value as at 31 March 2013	<u>1,085,088</u>	<u>1,044,053</u>

9. Short-term loans from financial institutions

		(Unit: Thousand Baht)	
	Interest rate	<u>Consolidated / Separate financial statements</u>	
	(Percent per annum)	<u>31 March 2013</u>	<u>31 December 2012</u>
Short-term loans from financial institutions	3.58 - 3.69	1,279,969	1,469,778
Trust receipt	2.23 - 2.36	878,496	304,829
		<u>2,158,465</u>	<u>1,774,607</u>

The credit facilities agreement of the Company contain covenants that, among other things, required the Company to be restricted on the disposal of its assets or the creation of lien thereon without prior consent from banks, the maintenance of certain debt to equity.

(Unaudited but reviewed)

10. Trade and other payables

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2013	2012	2013	2012
Trade payables - unrelated parties	44,606	26,624	42,899	24,892
Other payables - related parties (Note 4)	830	-	19,470	15,333
Other payables - unrelated parties	51,294	46,744	44,252	44,031
Accrued expenses	28,136	44,150	21,478	35,701
Total trade and other payables	124,866	117,518	128,099	119,957

11. Provision for long-term employee benefits

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
Balance as at 1 January 2013		12,418		10,055
Add: Recognition during the period		403		313
Balance as at 31 March 2013		12,821		10,368

12. Income tax

Interim corporate income tax was calculated on profit before income tax for the period, using the estimated effective tax rate for the year.

Income tax expenses for the three-month periods ended 31 March 2013 and 2012 are made up as follows:

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	2013	2012	2013	2012
		(Restated)		(Restated)
Current income tax:				
Interim corporate income tax charge	50,967	14,449	46,165	9,950
Deferred tax:				
Relating to origination and reversal of temporary differences	(1,175)	1,590	(1,158)	1,488
Income tax expenses reported in the statements of comprehensive income	49,792	16,039	45,007	11,438

13. Basic earnings per share

Basic earnings per share is calculated by dividing profit for the period (excluding other comprehensive income) by the weighted average number of ordinary shares in issue during the period.

14. Commitments and contingent liabilities**14.1 Capital commitments**

As at 31 March 2013, the Company had capital commitments of approximately EUR 2 million and Baht 15.4 million, relating to purchases of machinery and software system development and land improvement (31 December 2012: Baht 2.7 million).

14.2 Letters of credit

The Company had commitments under letters of credit with overseas suppliers amounting to approximately USD 8.9 million (31 December 2012: USD 16.6 million).

14.3 Operating lease commitments

The Company and its subsidiaries had entered into several lease agreements in respect of the lease of land and motor vehicles with related parties and other companies. The terms of the agreements were generally between 3 and 10 years.

As at 31 March 2013 and 31 December 2012, future minimum lease payments required under these non-cancellable operating leases contracts were as follows.

	(Unit: Million Baht)			
	Related parties		Unrelated parties	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012
Payable within :				
Less than 1 year	5.2	6.2	4.9	1.9
In over 1 and up to 5 years	1.2	2.2	2.3	2.9

14.4 Guarantees

- (1) As at 31 March 2013, there were outstanding bank guarantees of approximately Baht 50.6 million (31 December 2012: Baht 22.0 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of business. These included letters of guarantee amounting to Baht 37.4 million (31 December 2012: Baht 9.0 million) to guarantee payments due to Customs Department, Baht 12.2 million (31 December 2012: Baht 12.0 million) to guarantee electricity use and Baht 1.0 million (31 December 2012: Baht 1.0 million) to guarantee as a Gold Card importer and exporter to the Customs Department.

- (2) The Company guaranteed credit card facility of its subsidiary company amounting to Baht 1.0 million (31 December 2012: Baht 1.0 million).

15. Segment information

Operating segment information is reported in a manner consistent with the internal reports that are regularly reviewed by the chief operating decision maker in order to make decisions about the allocation of resources to the segment and assess its performance. The chief operating decision maker has been identified as Managing Director.

The one main reportable operating segment of the Company and its subsidiaries is the manufacture and distribution of steel pipes for construction work for both domestic and export markets and the single geographical area of their operations is Thailand. Segment performance is measured based on operating profit or loss, on a basis consistent with that used to measure operating profit or loss in the financial statements. As a result, all of the revenues, operating profits and assets as reflected in these financial statements pertain to the aforementioned reportable operating segment and geographical area.

For the three-month period ended 31 March 2013, export sales of the Company and its subsidiaries represented approximately 1.3 percent (31 March 2012: 5.5 percent) of total sales. The export sales of the Company only for the three-month period then ended represented approximately 1.4 percent (31 March 2012: 5.5 percent) of the Company's sales.

16. Foreign currency risk

As at 31 March 2013, the Company has financial assets and financial liabilities denominated in foreign currency which mature within one year as follows:

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	31 March 2013	31 December 2012	31 March 2013	31 December 2012	31 March 2013	31 December 2012
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.1	0.7	29.8	9.9	29.3085	30.7750

The Company has option contracts outstanding as at 31 March 2013 as below.

Contract	Amount	Contractual exchange rate	Contractual maturity date
	(USD million)	(Baht per 1 USD)	
Buy call option	25	29.50 - 30.02	24 April 2013 - 19 September 2013

17. Event after the reporting period

On 23 April 2013, the 2013 Annual General Meeting of the Company's shareholders approved the payment of dividend to the shareholders from the profit for the year 2012 of Baht 0.25 per share, a total of Baht 165 million, which is to be paid on 9 May 2013. This dividend will be recorded in the second quarter of the current year.

18. Reclassification

(Unit: Thousand Baht)

	Consolidated financial statements			
	As at 31 December 2012		As at 1 January 2012	
	As reclassified	As previously reported	As reclassified	As previously reported
Property, plant and equipment	1,079,830	1,071,036	1,046,892	1,038,098
Intangible assets	35,006	43,800	36,465	45,259

(Unit: Thousand Baht)

	Separate financial statements			
	As at 31 December 2012		As at 1 January 2012	
	As reclassified	As previously reported	As reclassified	As previously reported
Property, plant and equipment	1,041,587	1,032,793	1,014,552	1,005,758
Intangible assets	34,898	43,692	36,360	45,154

The reclassifications had no effect to previously reported profit or shareholders' equity.

19. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 14 May 2013.