

Pacific Pipe Public Company Limited and its subsidiaries  
Review report and consolidated interim financial statements  
For the three-month and nine-month periods ended  
30 September 2018

## **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 30 September 2018, the related consolidated statements of comprehensive income for the three-month and nine-month periods ended 30 September 2018, the related consolidated statements of changes in shareholders' equity and cash flows for the nine-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*.

Wattoo Kayankannavee  
Certified Public Accountant (Thailand) No. 5423

EY Office Limited  
Bangkok: 12 November 2018

**Pacific Pipe Public Company Limited and its subsidiaries**

**Statement of financial position**

**As at 30 September 2018**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements		
	Note	30 September 2018 (Unaudited but reviewed)	31 December 2017 (Audited)	30 September 2018 (Unaudited but reviewed)	31 December 2017 (Audited)
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents		417,054	475,115	321,662	277,419
Trade and other receivables	3	1,150,427	918,556	749,816	752,135
Inventories	4	1,953,851	1,456,414	1,861,702	1,404,170
Advance for raw material		6,904	13,332	88	621
Other current financial assets		18,092	9,694	968	9,617
Other current assets		23,513	18,382	21,685	17,149
<b>Total current assets</b>		<b>3,569,841</b>	<b>2,891,493</b>	<b>2,955,921</b>	<b>2,461,111</b>
<b>Non-current assets</b>					
Investments in subsidiaries		-	-	110,996	110,996
Property, plant and equipment	5	1,868,830	1,925,620	1,819,156	1,870,379
Intangible assets		29,714	24,679	29,701	24,658
Deferred tax assets		2,735	1,906	-	-
Other non-current assets		645	849	4	371
<b>Total non-current assets</b>		<b>1,901,924</b>	<b>1,953,054</b>	<b>1,959,857</b>	<b>2,006,404</b>
<b>Total assets</b>		<b>5,471,765</b>	<b>4,844,547</b>	<b>4,915,778</b>	<b>4,467,515</b>

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 30 September 2018**

(Unit: Thousand Baht)

		Consolidated financial statements		Separate financial statements	
	Note	30 September 2018	31 December 2017	30 September 2018	31 December 2017
		(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Liabilities and shareholders' equity</b>					
<b>Current liabilities</b>					
Short-term loans from financial institutions	6	2,656,244	1,896,390	2,455,406	1,841,259
Trade and other payables	7	194,169	145,837	136,475	114,371
Income tax payable		8,225	46,667	4,656	37,041
Other current liabilities		23,726	19,636	10,918	10,767
<b>Total current liabilities</b>		<b>2,882,364</b>	<b>2,108,530</b>	<b>2,607,455</b>	<b>2,003,438</b>
<b>Non-current liabilities</b>					
Deferred tax liabilities		115,678	119,555	115,678	119,555
Provision for long-term employee benefits	8	37,960	33,169	30,362	26,053
Deferred rental		2,449	2,076	2,449	2,076
<b>Total non-current liabilities</b>		<b>156,087</b>	<b>154,800</b>	<b>148,489</b>	<b>147,684</b>
<b>Total liabilities</b>		<b>3,038,451</b>	<b>2,263,330</b>	<b>2,755,944</b>	<b>2,151,122</b>

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 30 September 2018**

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
<b>Shareholders' equity</b>				
Share capital				
Registered				
660,000,000 ordinary shares of Baht 1 each	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
Share premium				
Share premium on ordinary shares	514,845	514,845	514,845	514,845
Surplus on treasury shares	1,011	1,011	1,011	1,011
Retained earnings				
Appropriated - statutory reserve	67,000	67,000	67,000	67,000
Unappropriated	805,176	953,079	531,696	688,255
Other components of shareholders' equity	385,282	385,282	385,282	385,282
<b>Total shareholders' equity</b>	<b>2,433,314</b>	<b>2,581,217</b>	<b>2,159,834</b>	<b>2,316,393</b>
<b>Total liabilities and shareholders' equity</b>	<b>5,471,765</b>	<b>4,844,547</b>	<b>4,915,778</b>	<b>4,467,515</b>
	-	-	-	-

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 30 September 2018**

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

		<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales and service income	2	2,465,502	2,115,898	2,238,613	2,014,229
Exchange gain		2,498	3,173	2,498	3,172
Other income		61,592	54,526	59,273	53,445
<b>Total revenues</b>		<u>2,529,592</u>	<u>2,173,597</u>	<u>2,300,384</u>	<u>2,070,846</u>
<b>Expenses</b>					
Cost of sales and services		2,358,786	1,853,018	2,160,462	1,771,247
Selling expenses		48,479	41,254	45,835	53,386
Administrative expenses		84,423	74,826	74,451	67,130
<b>Total expenses</b>		<u>2,491,688</u>	<u>1,969,098</u>	<u>2,280,748</u>	<u>1,891,763</u>
<b>Profit before finance cost and income tax expenses</b>		37,904	204,499	19,636	179,083
Finance cost		(15,683)	(11,194)	(14,502)	(10,901)
<b>Profit before income tax expenses</b>		22,221	193,305	5,134	168,182
Income tax expenses	9	(7,786)	(37,760)	(4,614)	(33,049)
<b>Profit for the period</b>		<u>14,435</u>	<u>155,545</u>	<u>520</u>	<u>135,133</u>
<b>Other comprehensive income for the period</b>		-	-	-	-
<b>Total comprehensive income for the period</b>		<u>14,435</u>	<u>155,545</u>	<u>520</u>	<u>135,133</u>
<b>Earnings per share</b>					
Basic earnings per share					
Profit for the period	10	<u>0.022</u>	<u>0.236</u>	<u>0.001</u>	<u>0.205</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 comprehensive income**

**For the nine-month period ended 30 September 2018**

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

		<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>Note</u>	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Profit or loss:</b>					
<b>Revenues</b>					
Sales and service income	2	7,379,376	5,926,079	6,805,322	5,711,264
Exchange gain		6,977	5,624	6,995	5,623
Dividend income	2	-	-	37,015	116,415
Other income		186,961	124,430	178,036	122,123
<b>Total revenues</b>		<u>7,573,314</u>	<u>6,056,133</u>	<u>7,027,368</u>	<u>5,955,425</u>
<b>Expenses</b>					
Cost of sales and services		7,016,808	5,402,053	6,507,645	5,249,781
Selling expenses		137,489	116,271	146,300	151,521
Administrative expenses		238,904	222,049	214,860	200,256
<b>Total expenses</b>		<u>7,393,201</u>	<u>5,740,373</u>	<u>6,868,805</u>	<u>5,601,558</u>
<b>Profit before finance cost and income tax expenses</b>		180,113	315,760	158,563	353,867
Finance cost		(41,447)	(29,436)	(38,941)	(28,770)
<b>Profit before income tax expenses</b>		138,666	286,324	119,622	325,097
Income tax expenses	9	(29,170)	(57,980)	(18,788)	(42,625)
<b>Profit for the period</b>		<u>109,496</u>	<u>228,344</u>	<u>100,834</u>	<u>282,472</u>
<b>Other comprehensive income:</b>					
<i>Other comprehensive income not to be reclassified to profit or loss in subsequent periods</i>					
Surplus on revaluation of assets		-	481,602	-	481,602
Less: Income tax effect		-	(96,320)	-	(96,320)
<b>Other comprehensive income for the period</b>		<u>-</u>	<u>385,282</u>	<u>-</u>	<u>385,282</u>
<b>Total comprehensive income for the period</b>		<u>109,496</u>	<u>613,626</u>	<u>100,834</u>	<u>667,754</u>
<b>Earnings per share</b>					
Basic earnings per share					
Profit for the period	10	<u>0.166</u>	<u>0.346</u>	<u>0.153</u>	<u>0.428</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 nine-month period ended 30 September 2018**

(Unit: Thousand Baht)

	<u>Consolidated financial statements</u>		<u>Separate financial statements</u>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Cash flows from operating activities</b>				
Profit before tax	138,666	286,324	119,622	325,097
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities:				
Depreciation and amortisation	97,764	91,749	90,512	84,324
Bad debts	495	8,434	455	4,811
Allowance for doubtful accounts (reversal)	8,793	(8,145)	5,129	(4,364)
Reduction of inventory cost to net realisable value	10,918	1,901	10,918	1,901
Reversal of allowance for impairment of advance for raw material	-	(7,132)	-	(7,132)
Loss on write-off/disposals of equipment	264	179	287	179
Provision for long-term employee benefits	4,791	2,386	4,309	1,930
Deferred rental expenses	373	1,930	373	1,930
Unrealised gain on exchange	(797)	(21)	(797)	(21)
Dividend income	-	-	(37,015)	(116,415)
Interest income	(910)	(1,069)	(582)	(817)
Interest expenses	39,875	27,263	37,630	27,161
Profit from operating activities before changes in operating assets and liabilities	300,232	403,799	230,841	318,584
Operating assets (increase) decrease				
Trade and other receivables	(241,220)	(321,789)	(3,327)	(252,322)
Inventories	(508,355)	(283,255)	(468,450)	(270,424)
Advance for raw material	6,428	84,843	533	99,855
Other current assets	(13,324)	(11,582)	4,483	(9,996)
Operating liabilities increase (decrease)				
Trade and other payables	40,510	56,659	14,295	43,721
Other current liabilities	4,091	(2,874)	151	(6,085)
Cash flows used in operating activities	(411,638)	(74,199)	(221,474)	(76,667)
Cash paid for interest expenses	(39,122)	(26,219)	(36,890)	(26,117)
Cash paid for corporate income tax	(72,318)	(51,141)	(55,050)	(35,638)
<b>Net cash flows used in operating activities</b>	<b>(523,078)</b>	<b>(151,559)</b>	<b>(313,414)</b>	<b>(138,422)</b>

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 nine-month period ended 30 September 2018**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>		<b>Separate financial statements</b>	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment	(37,175)	(139,219)	(35,497)	(137,111)
Acquisition of intangible assets	(2,077)	(2,184)	(2,077)	(2,184)
Increase in investment in a subsidiary	-	-	-	(99,000)
Dividend income	-	-	37,015	116,415
Interest income	908	1,068	580	816
Proceeds from sales of equipment	47	-	24	-
<b>Net cash flows from (used in) investing activities</b>	<u>(38,297)</u>	<u>(140,335)</u>	<u>45</u>	<u>(121,064)</u>
<b>Cash flows from financing activities</b>				
Increase in short-term loans from financial institutions	760,713	1,062,909	615,005	1,012,749
Dividend paid	(257,399)	(653,465)	(257,393)	(653,400)
<b>Net cash flows from financing activities</b>	<u>503,314</u>	<u>409,444</u>	<u>357,612</u>	<u>359,349</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(58,061)</u>	<u>117,550</u>	<u>44,243</u>	<u>99,863</u>
Cash and cash equivalents at beginning of period	<u>475,115</u>	<u>445,932</u>	<u>277,419</u>	<u>294,716</u>
<b>Cash and cash equivalents at end of period</b>	<u>417,054</u>	<u>563,482</u>	<u>321,662</u>	<u>394,579</u>
	-	-	-	-
<b>Supplemental cash flows information:</b>				
Non-cash transaction				
Acquisition of building and equipment for				
which no cash has been paid	7,068	11,056	7,068	11,029

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 nine-month period ended 30 September 2018**

(Unit: Thousand Baht)

	<b>Consolidated financial statements</b>						
	Issued and fully paid-up share capital	Premium on ordinary shares	Surplus on treasury shares	Retained earnings		Other components of equity	Total shareholders' equity
				Appropriated - statutory reserve	Unappropriated	Other comprehensive income Surplus on revaluation of assets	
<b>Balance as at 1 January 2017</b>	660,000	514,845	1,011	67,000	1,314,127	-	2,556,983
Profit for the period	-	-	-	-	228,344	-	228,344
Other comprehensive income for the period	-	-	-	-	-	385,282	385,282
<b>Total comprehensive income for the period</b>	-	-	-	-	228,344	385,282	613,626
Dividend paid (Note 11)	-	-	-	-	(653,465)	-	(653,465)
<b>Balance as at 30 September 2017</b>	<u>660,000</u>	<u>514,845</u>	<u>1,011</u>	<u>67,000</u>	<u>889,006</u>	<u>385,282</u>	<u>2,517,144</u>
<b>Balance as at 1 January 2018</b>	660,000	514,845	1,011	67,000	953,079	385,282	2,581,217
Profit for the period	-	-	-	-	109,496	-	109,496
Other comprehensive income for the period	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	-	109,496	-	109,496
Dividend paid (Note 11)	-	-	-	-	(257,399)	-	(257,399)
<b>Balance as at 30 September 2018</b>	<u>660,000</u>	<u>514,845</u>	<u>1,011</u>	<u>67,000</u>	<u>805,176</u>	<u>385,282</u>	<u>2,433,314</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 nine-month period ended 30 September 2018**

(Unit: Thousand Baht)

	Separate financial statements						Total shareholders' equity
	Issued and fully paid-up share capital	Premium on ordinary shares	Surplus on treasury shares	Retained earnings		Other components of equity	
				Appropriated - statutory reserve	Unappropriated	Other comprehensive income Surplus on revaluation of assets	
<b>Balance as at 1 January 2017</b>	660,000	514,845	1,011	67,000	1,015,973	-	2,258,829
Profit for the period	-	-	-	-	282,472	-	282,472
Other comprehensive income for the period	-	-	-	-	-	385,282	385,282
<b>Total comprehensive income for the period</b>	-	-	-	-	282,472	385,282	667,754
Dividend paid (Note 11)	-	-	-	-	(653,400)	-	(653,400)
<b>Balance as at 30 September 2017</b>	<u>660,000</u>	<u>514,845</u>	<u>1,011</u>	<u>67,000</u>	<u>645,045</u>	<u>385,282</u>	<u>2,273,183</u>
<b>Balance as at 1 January 2018</b>	660,000	514,845	1,011	67,000	688,255	385,282	2,316,393
Profit for the period	-	-	-	-	100,834	-	100,834
Other comprehensive income for the period	-	-	-	-	-	-	-
<b>Total comprehensive income for the period</b>	-	-	-	-	100,834	-	100,834
Dividend paid (Note 11)	-	-	-	-	(257,393)	-	(257,393)
<b>Balance as at 30 September 2018</b>	<u>660,000</u>	<u>514,845</u>	<u>1,011</u>	<u>67,000</u>	<u>531,696</u>	<u>385,282</u>	<u>2,159,834</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 and nine-month periods ended 30 September 2018**

**1. General information**

**1.1 Basis for the preparation of interim financial statements**

These interim financial statements are prepared in accordance with Thai Accounting Standard No. 34 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.

**1.2 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 2017. There has been no change in the composition of the Group during the current period.

**1.3 New financial reporting standards**

**(a) Financial reporting standards that became effective in the current year**

During the period, the Company and its subsidiaries have adopted the revised financial reporting standards and interpretations (revised 2017 ) which are effective for fiscal years beginning on or after 1 January 2018. These financial reporting standards were aimed at alignment with the corresponding International Financial Reporting Standards with most of the changes and clarifications directed towards disclosures in the notes to financial statements. The adoption of these financial reporting standards does not have any significant impact on the Company and its subsidiaries' financial statements.

**(b) Financial reporting standards that will become effective in the future**

During the period, the Federation of Accounting Professions issued the financial reporting standard TFRS 15 Revenue from Contracts with Customers, which is effective for fiscal years beginning on or after 1 January 2019 and a set of 5 standards related to financial instruments, which are effective for fiscal years beginning on or after 1 January 2020. Key principles of these standards are summarised below.

**TFRS 15 Revenue from Contracts with Customers**

TFRS 15 supersedes TAS 11 Construction Contracts and TAS 18 Revenue, together with related Interpretations. Entities are to apply this standard to all contracts with customers unless those contracts fall within the scope of other standards. The standard establishes a five-step model to account for revenue arising from contracts with customers, with revenue being recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model.

The management of the Company and its subsidiaries is currently evaluating the impact of this standard to the financial statements in the year when it is adopted.

**Thai Financial Reporting Standards related to financial instruments**

The set of TFRSs related to financial instruments consists of five accounting standards and interpretations, as follows:

Financial reporting standards:

TFRS 9	Financial Instruments
TFRS 7	Financial Instruments: Disclosures

Accounting standard:

TAS 32	Financial Instruments: Presentation
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Financial Reporting Standard Interpretations:

TFRIC 16	Hedges of a Net Investment in a Foreign Operation
TFRIC 19	Extinguishing Financial Liabilities with Equity Instruments

These TFRSs related to financial instruments make stipulations relating to the classification of financial instruments and their measurement at fair value or amortised cost (taking into account the type of instrument, the characteristics of the contractual cash flows and the Company's business model), calculation of impairment using the expected credit loss method, and hedge accounting. These include stipulations regarding the presentation and disclosure of financial instruments. When the TFRSs related to financial instruments are effective, some accounting standards, interpretations and guidance which are currently effective will be cancelled.

The management of the Company and its subsidiaries is currently evaluating the impact of these standards to the financial statements in the year when they are adopted.

#### 1.4 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 2017.

#### 2. Related party transactions

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, its subsidiaries and those related parties.

(Unit: Million Baht)

	For the three-month periods ended 30 September				Transfer Pricing Policy
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	438.8	969.1	Reference to market price
Purchase of goods	-	-	45.6	-	Reference to market price
Rental income	-	-	0.7	0.2	Contract price
Service income	-	-	0.3	0.2	Contract price
Commission paid	-	-	-	17.6	Contract price
Transportation expenses	-	-	35.2	30.2	Reference to market price
<u>Transactions with related parties</u>					
Office rental and service expenses	1.0	1.1	1.0	-	Contract price
Land rental	1.4	1.0	1.4	1.0	Contract price

(Unaudited but reviewed)

(Unit: Million Baht)

	For the nine-month periods ended 30 September				Transfer Pricing Policy
	Consolidated		Separate		
	financial statements		financial statements		
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>	
<u>Transactions with subsidiary companies</u>					
(eliminated from the consolidated financial statements)					
Sales of goods	-	-	1,275.8	2,667.4	Reference to market price
Purchase of goods	-	-	55.9	-	Reference to market price
Rental income	-	-	1.1	0.5	Contract price
Service income	-	-	1.2	0.6	Contract price
Commission paid	-	-	16.8	51.2	Contract price
Transportation expenses	-	-	102.5	84.5	Reference to market price
Dividend income	-	-	37.0	116.4	As declared
<u>Transactions with related party</u>					
Office rental and service expenses	3.2	3.3	1.4	-	Contract price
Land rental	3.8	3.4	3.8	3.4	Contract price

The balances of the accounts as at 30 September 2018 and 31 December 2017 between the Company and those related parties are as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
<b><u>Trade receivables - related party (Note 3)</u></b>				
Tamose Trading Company Limited	-	-	141,848	289,335
<b>Total trade receivables - related party</b>	<b>-</b>	<b>-</b>	<b>141,848</b>	<b>289,335</b>
<b><u>Other receivables - related parties (Note 3)</u></b>				
Tamose Trading Company Limited	-	-	2,445	4,506
Meesup Transport Company Limited	-	-	95	-
Tang Mong Seng Holding Company Limited	62	-	62	-
<b>Total other receivables - related parties</b>	<b>62</b>	<b>-</b>	<b>2,602</b>	<b>4,506</b>
<b><u>Trade payables - related party (Note 7)</u></b>				
Tamose Trading Company Limited	-	-	4,651	-
<b>Total trade payables - related party</b>	<b>-</b>	<b>-</b>	<b>4,651</b>	<b>-</b>

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
<b><u>Other payables - related parties (Note 7)</u></b>				
Tamose Trading Company Limited	-	-	4,102	9,317
Meesup Transport Company Limited	-	-	5,387	3,595
Tang Mong Seng Holding Company Limited	62	-	-	-
<b>Total other payables - related parties</b>	<b>62</b>	<b>-</b>	<b>9,489</b>	<b>12,912</b>

**Directors and management's benefits**

During the three-month and nine-month periods ended 30 September 2018 and 2017, the Company and its subsidiaries had employee benefit expenses payable to their directors and management as below.

(Unit: Thousand Baht)

	Consolidated/Separate financial statements			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Short-term employee benefits	14,234	9,319	42,520	32,804
Post-employment benefits	272	259	817	778
Total	<u>14,506</u>	<u>9,578</u>	<u>43,337</u>	<u>33,582</u>

**Guarantee obligations with related party**

The Company has outstanding guarantee obligations with its related party, as described in Note 12.3 to the financial statements.

**3. Trade and other receivables**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September	31 December	30 September	31 December
	2018	2017	2018	2017
<u>Trade receivables - related party</u>				
Aged on the basis of due dates				
Not yet due	-	-	141,836	212,039
Past due				
Up to 3 months	-	-	-	77,296
3 - 6 Months	-	-	12	-
Total trade receivables - related party (Note 2)	-	-	141,848	289,335
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	862,589	682,145	502,602	333,596
Past due				
Up to 3 months	242,068	225,399	92,027	117,952
3 - 6 months	41,741	9,368	9,548	5,038
6 - 12 months	9,092	2,040	5,259	1,939
Over 12 months	11,867	7,803	6,846	5,556
Total	1,167,357	926,755	616,282	464,081
Less: Allowance for doubtful debts	(16,992)	(8,199)	(10,916)	(5,787)
Total trade receivables - unrelated parties, net	1,150,365	918,556	605,366	458,294
Total trade receivables - net	1,150,365	918,556	747,214	747,629
<u>Other receivables</u>				
Other receivables - related parties (Note 2)	62	-	2,602	4,506
Total other receivables	62	-	2,602	4,506
Total trade and other receivables - net	1,150,427	918,556	749,816	752,135



(Unaudited but reviewed)

**6. Short-term loans from financial institutions**

(Unit: Thousand Baht)

	Interest rate		Consolidated		Separate	
	(Percent per annum)		financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Short-term loans from						
financial institutions	2.19 - 2.78	2.17 - 2.50	2,583,882	1,722,504	2,383,044	1,667,373
Trust receipt	3.05 - 3.95	2.65 - 3.10	72,362	173,886	72,362	173,886
			<u>2,656,244</u>	<u>1,896,390</u>	<u>2,455,406</u>	<u>1,841,259</u>

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

**7. Trade and other payables**

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Trade payables - related party (Note 2)	-	-	4,651	-
Trade payables - unrelated parties	90,392	38,066	34,769	11,034
Other payables - related parties (Note 2)	62	-	9,489	12,912
Other payables - unrelated parties	54,836	49,138	48,939	45,830
Accrued expenses	48,879	58,633	38,627	44,595
Total trade and other payables	<u>194,169</u>	<u>145,837</u>	<u>136,475</u>	<u>114,371</u>

**8. Provision for long-term employee benefits**

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
<b>Balance as at 1 January 2018</b>	33,169	26,053
Add: Recognition during the period	4,791	4,309
<b>Balance as at 30 September 2018</b>	<u>37,960</u>	<u>30,362</u>

**9. Income tax**

Income tax for the three-month and nine-month periods ended 30 September 2018 and 2017 are made up as follows:

(Unit: Thousand Baht)

	For the three-month periods ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	9,149	34,957	5,537	30,180
Adjustment in respect of income tax of previous period	2,748	-	2,703	-
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(4,111)	2,803	(3,626)	2,869
<b>Income tax expenses reported in the statements of comprehensive income</b>	<u>7,786</u>	<u>37,760</u>	<u>4,614</u>	<u>33,049</u>

(Unit: Thousand Baht)

	For the nine-month periods ended 30 September			
	Consolidated		Separate	
	financial statements	financial statements	financial statements	financial statements
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
<b>Current income tax:</b>				
Interim corporate income tax charge	31,239	55,725	20,073	41,015
Adjustment in respect of income tax of previous period	2,637	(1,024)	2,592	(1,003)
<b>Deferred tax:</b>				
Relating to origination and reversal of temporary differences	(4,706)	3,279	(3,877)	2,613
<b>Income tax expenses reported in the statements of comprehensive income</b>	<u>29,170</u>	<u>57,980</u>	<u>18,788</u>	<u>42,625</u>

**10. Earnings per share**

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

**11. Dividend**

<u>Dividend</u>	<u>Approved by</u>	<u>Total dividends</u> (Million Baht)	<u>Dividend per share</u> (Baht/Share)
Final dividend for 2016	Annual General Meeting of the shareholders on 21 April 2017	653.4	0.99
Total for 2017		653.4	0.99
Final dividend for 2017	Annual General Meeting of the shareholders on 27 April 2018	257.4	0.39
Total for 2018		257.4	0.39

**12. Commitments and contingent liabilities****12.1 Letters of credit**

As at 30 September 2018, the Company had commitments under letters of credit with overseas suppliers amounting to approximately USD 1.5 million (31 December 2017: USD 0.1 million).

**12.2 Operating lease commitments**

The Company and its subsidiaries had entered into several lease agreements in respect of the lease of land, office building and motor vehicles with related parties and other companies. The terms of the agreements were generally between 3 and 13 years.

The Company and its subsidiaries have future minimum lease payments required under these non-cancellable operating leases contracts as follows:

	(Unit: Million Baht)			
	Consolidated financial statements			
	Related parties		Unrelated parties	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Payable:				
In up to 1 year	8.8	9.4	2.1	3.4
In over 1 and up to 5 years	22.3	24.4	1.8	1.7
In over 5 years	21.9	26.2	-	-

(Unaudited but reviewed)

(Unit: Million Baht)

	Separate financial statements			
	Related parties		Unrelated parties	
	30 September 2018	31 December 2017	30 September 2018	31 December 2017
Payable:				
In up to 1 year	8.7	5.1	0.4	2.3
In over 1 and up to 5 years	22.3	21.9	-	-
In over 5 years	21.9	26.0	-	-

### 12.3 Guarantees

- (1) As at 30 September 2018, there were outstanding bank guarantees of approximately Baht 16 million (31 December 2017: Baht 16 million) issued by banks on behalf of the Company in respect of certain performance bonds as required in the normal course of its business. These included letters of guarantee to guarantee as follows:

	(Unit: Million Baht)	
	30 September 2018	31 December 2017
Guarantee electricity use	15	15
Guarantee as an AEO authorised importer and / or exporter to the Customs Department	1	1

- (2) The Company guarantees credit card facility of its subsidiary company amounting to Baht 1 million (31 December 2017: Baht 1 million).
- (3) The Company guarantees bank credit facility of its subsidiary company amounting to Baht 6 million (31 December 2017: Baht 6 million).

### 13. Segment information

The one main reportable operating segment of the Company and its subsidiaries is the manufacture and distribution of steel pipes for construction work and the single geographical area of their main 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.

**14. Foreign currency risk**

As at 30 September 2018 and 31 December 2017, the Company and its subsidiary has financial assets and financial liabilities denominated in foreign currency which mature within one year and are unhedged for the foreign currency risk as follows:

Foreign currency	Financial assets		Financial liabilities		Average exchange rate	
	30 September	31 December	30 September	31 December	30 September	31 December
	2018	2017	2018	2017	2018	2017
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.22	0.26	2.22	3.69	32.3201	32.5987
Euro	-	-	-	1.38	37.5639	38.8704

As at 30 September 2018 and 31 December 2017, the Company and its subsidiary has no outstanding balances of forward foreign exchange contracts.

**15. Approval of interim financial statements**

These interim financial statements were authorised for issue by the Company's Board of Directors on 12 November 2018.