

Pacific Pipe Public Company Limited and its subsidiaries
Review report and consolidated interim financial statements
For the three-month period ended 31 March 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 31 March 2018, 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*.

Wattoo Kayankannavee
Certified Public Accountant (Thailand) No. 5423

EY Office Limited
Bangkok: 8 May 2018

Pacific Pipe Public Company Limited and its subsidiaries

Statement of financial position

As at 31 March 2018

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2018 (Unaudited but reviewed)	31 December 2017 (Audited)	31 March 2018 (Unaudited but reviewed)	31 December 2017 (Audited)
Assets					
Current assets					
Cash and cash equivalents		475,564	475,115	313,788	277,419
Trade and other receivables	3	1,119,138	918,556	875,420	752,135
Inventories	4	1,568,018	1,456,414	1,458,692	1,404,170
Advance for raw material		100,595	13,332	92,993	621
Other current financial assets		7,627	9,694	7,569	9,617
Other current assets		20,017	18,382	17,918	17,149
Total current assets		3,290,959	2,891,493	2,766,380	2,461,111
Non-current assets					
Investments in subsidiaries		-	-	110,996	110,996
Property, plant and equipment	5	1,902,298	1,925,620	1,849,355	1,870,379
Intangible assets		30,958	24,679	30,939	24,658
Deferred tax assets		1,968	1,906	-	-
Other non-current assets		849	849	371	371
Total non-current assets		1,936,073	1,953,054	1,991,661	2,006,404
Total assets		5,227,032	4,844,547	4,758,041	4,467,515

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 2018

(Unit: Thousand Baht)

	Note	Consolidated financial statements		Separate financial statements	
		31 March 2018 (Unaudited but reviewed)	31 December 2017 (Audited)	31 March 2018 (Unaudited but reviewed)	31 December 2017 (Audited)
Liabilities and shareholders' equity					
Current liabilities					
Short-term loans from financial institutions	6	2,053,210	1,896,390	1,939,484	1,841,259
Trade and other payables	7	260,345	145,837	226,315	114,371
Income tax payable		65,100	46,667	52,156	37,041
Other current liabilities		23,063	19,636	5,540	10,767
Total current liabilities		2,401,718	2,108,530	2,223,495	2,003,438
Non-current liabilities					
Deferred tax liabilities		119,871	119,555	119,871	119,555
Provision for long-term employee benefits	8	34,766	33,169	27,489	26,053
Deferred rental		2,221	2,076	2,221	2,076
Total non-current liabilities		156,858	154,800	149,581	147,684
Total liabilities		2,558,576	2,263,330	2,373,076	2,151,122

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 2018

(Unit: Thousand Baht)

	Consolidated financial statements		Separate financial statements	
	<u>31 March 2018</u>	<u>31 December 2017</u>	<u>31 March 2018</u>	<u>31 December 2017</u>
	(Unaudited but reviewed)	(Audited)	(Unaudited but reviewed)	(Audited)
Shareholders' equity				
Share capital				
Registered				
660,000,000 ordinary shares of Baht 1 each	<u>660,000</u>	<u>660,000</u>	<u>660,000</u>	<u>660,000</u>
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	1,040,318	953,079	756,827	688,255
Other components of shareholders' equity	<u>385,282</u>	<u>385,282</u>	<u>385,282</u>	<u>385,282</u>
Total shareholders' equity	<u>2,668,456</u>	<u>2,581,217</u>	<u>2,384,965</u>	<u>2,316,393</u>
Total liabilities and shareholders' equity	<u>5,227,032</u>	<u>4,844,547</u>	<u>4,758,041</u>	<u>4,467,515</u>
	-	-	-	-

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 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>
Profit or loss					
Revenues					
Sales and service income	2	2,511,166	1,903,121	2,356,081	1,865,483
Exchange gain		4,528	2,378	4,572	2,377
Other income		67,790	33,831	64,959	33,386
Total revenues		<u>2,583,484</u>	<u>1,939,330</u>	<u>2,425,612</u>	<u>1,901,246</u>
Expenses					
Cost of sales and services		2,340,916	1,691,723	2,201,750	1,677,050
Selling expenses		43,544	38,142	55,512	48,206
Administrative expenses		79,099	78,738	71,967	71,897
Total expenses		<u>2,463,559</u>	<u>1,808,603</u>	<u>2,329,229</u>	<u>1,797,153</u>
Profit before finance cost and income tax expenses		119,925	130,727	96,383	104,093
Finance cost		(12,115)	(7,009)	(11,526)	(6,846)
Profit before income tax expenses		107,810	123,718	84,857	97,247
Income tax expenses	9	(20,571)	(28,019)	(16,285)	(22,232)
Profit for the period		<u>87,239</u>	<u>95,699</u>	<u>68,572</u>	<u>75,015</u>
Other comprehensive income for the period		-	-	-	-
Total comprehensive income for the period		<u>87,239</u>	<u>95,699</u>	<u>68,572</u>	<u>75,015</u>
Earnings per share	10				
Basic earnings per share					
Profit for the period		<u>0.13</u>	<u>0.14</u>	<u>0.10</u>	<u>0.11</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 2018

(Unit: Thousand Baht)

	Consolidated financial statements						Total shareholders' equity
	Issued and fully paid-up share capital	Share 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	
Balance as at 1 January 2017	660,000	514,845	1,011	67,000	1,314,127	-	2,556,983
Total comprehensive income for the period	-	-	-	-	95,699	-	95,699
Balance as at 31 March 2017	<u>660,000</u>	<u>514,845</u>	<u>1,011</u>	<u>67,000</u>	<u>1,409,826</u>	<u>-</u>	<u>2,652,682</u>
Balance as at 1 January 2018	660,000	514,845	1,011	67,000	953,079	385,282	2,581,217
Total comprehensive income for the period	-	-	-	-	87,239	-	87,239
Balance as at 31 March 2018	<u>660,000</u>	<u>514,845</u>	<u>1,011</u>	<u>67,000</u>	<u>1,040,318</u>	<u>385,282</u>	<u>2,668,456</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 2018

(Unit: Thousand Baht)

	Separate financial statements						
	Issued and fully paid-up share capital	Share premium on ordinary shares	Surplus on treasury shares	Retained earnings		Other components of equity	Total
				Appropriated - statutory reserve	Unappropriated	Other comprehensive income	shareholders' equity
						Surplus on revaluation of assets	
Balance as at 1 January 2017	660,000	514,845	1,011	67,000	1,015,973	-	2,258,829
Total comprehensive income for the period	-	-	-	-	75,015	-	75,015
Balance as at 31 March 2017	<u>660,000</u>	<u>514,845</u>	<u>1,011</u>	<u>67,000</u>	<u>1,090,988</u>	<u>-</u>	<u>2,333,844</u>
Balance as at 1 January 2018	660,000	514,845	1,011	67,000	688,255	385,282	2,316,393
Total comprehensive income for the period	-	-	-	-	68,572	-	68,572
Balance as at 31 March 2018	<u>660,000</u>	<u>514,845</u>	<u>1,011</u>	<u>67,000</u>	<u>756,827</u>	<u>385,282</u>	<u>2,384,965</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 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>
Cash flows from operating activities				
Profit before tax	107,810	123,718	84,857	97,247
Adjustments to reconcile profit before tax to net cash provided by (paid from) operating activities				
Depreciation and amortisation	31,732	30,564	29,315	27,959
Bad debts	-	8,420	-	4,797
Allowance for doubtful accounts (reversal)	152	(8,737)	(2)	(4,966)
Reduction of inventory cost to net realisable value (reversal)	(2,300)	12,290	(2,300)	12,290
Reversal of allowance for impairment of advance for raw material	-	(2,514)	-	(2,514)
Loss on sales / write-off of equipment	18	157	18	156
Provision for long-term employee benefits	1,597	795	1,436	643
Deferred rental expenses	145	-	145	-
Unrealised gain on exchange	(1,545)	(521)	(1,571)	(521)
Interest income	(5)	(65)	(4)	(54)
Interest expenses	11,619	6,311	11,130	6,311
Profit from operating activities before changes in operating assets and liabilities	149,223	170,418	123,024	141,348
Operating assets (increase) decrease				
Trade and other receivables	(200,766)	(183,674)	(123,289)	(134,836)
Inventories	(109,304)	(212,513)	(52,222)	(212,527)
Advance for raw material	(87,263)	75,984	(92,372)	75,984
Other current assets	432	(2,343)	1,279	(2,269)
Operating liabilities increase (decrease)				
Trade and other payables	108,698	(11,787)	106,174	(17,803)
Other current liabilities	3,428	(7,146)	(5,227)	(7,919)
Cash flows used in operating activities	(135,552)	(171,061)	(42,633)	(158,022)
Cash paid for interest expenses	(12,551)	(4,611)	(12,062)	(4,611)
Cash paid for corporate income tax	(1,885)	(1,385)	(854)	(617)
Net cash flows used in operating activities	(149,988)	(177,057)	(55,549)	(163,250)

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 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>
Cash flows from investing activities				
Acquisition of plant and equipment	(7,952)	(26,954)	(7,874)	(26,872)
Acquisition of intangible assets	-	(497)	-	(497)
Interest income	5	65	4	54
Proceeds from sales of equipment	5	-	5	-
Net cash flows used in investing activities	<u>(7,942)</u>	<u>(27,386)</u>	<u>(7,865)</u>	<u>(27,315)</u>
Cash flows from financing activities				
Increase in short-term loans from financial institutions	158,379	561,260	99,783	561,260
Net cash flows from financing activities	<u>158,379</u>	<u>561,260</u>	<u>99,783</u>	<u>561,260</u>
Net increase in cash and cash equivalents	449	356,817	36,369	370,695
Cash and cash equivalents at beginning of period	475,115	445,932	277,419	294,716
Cash and cash equivalents at end of period	<u>475,564</u>	<u>802,749</u>	<u>313,788</u>	<u>665,411</u>
	-		-	
Supplemental cash flows information:				
Non-cash transaction				
Acquisition of building and equipment for which no cash has been paid	5,248	1,970	5,208	1,970
Acquisition of intangible assets for which no cash has been paid	1,512	-	1,512	-

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 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 standard 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. Key principles of this standard 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.

At present, the management of the Company and its subsidiaries is evaluating the impact of this standard to the financial statements in the year when it is 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 31 March				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	-	-	459.0	881.0	Reference to market price
Purchases of goods	-	-	0.4	-	Reference to market price
Rental income	-	-	0.2	0.2	Contract price
Service income	-	-	0.6	0.2	Contract price
Commission paid	-	-	16.8	17.6	Contract price
Transportation expenses	-	-	34.1	25.8	Reference to market price
<u>Transactions with related companies</u>					
Office rental and service expenses	1.1	1.1	-	-	Contract price
Land rental expenses	1.2	1.2	1.2	1.2	Contract price

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

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
<u>Trade receivables - related party (Note 3)</u>				
Tamose Trading Company Limited	-	-	172,239	289,335
Total trade receivables - related party	-	-	172,239	289,335
<u>Other receivables - related parties (Note 3)</u>				
Tamose Trading Company Limited	-	-	6,131	4,506
Meesup Transport Company Limited	-	-	31	-
Total other receivables - related parties	-	-	6,162	4,506

(Unaudited but reviewed)

(Unit: Thousand Baht)

	Consolidated		Separate	
	financial statements		financial statements	
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
<u>Other payables - related parties (Note 7)</u>				
Tamose Trading Company Limited	-	-	7,199	9,317
Meesup Transport Company Limited	-	-	6,509	3,595
Total other payables - related parties	-	-	13,708	12,912

Directors and management's benefits

During the three-month periods ended 31 March 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	
	<u>2018</u>	<u>2017</u>
Short-term employee benefits	10,656	11,725
Post-employment benefits	272	259
Total	10,928	11,984

Guarantee obligations with related party

The Company has outstanding guarantee obligations with its related party, as described in Note 11.4 to the financial statements.

3. Trade and other receivables

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
<u>Trade receivables - related party</u>				
Aged on the basis of due dates				
Not yet due	-	-	164,024	212,039
Past due				
Up to 3 months	-	-	8,215	77,296
Total trade receivables - related party (Note 2)	-	-	172,239	289,335
<u>Trade receivables - unrelated parties</u>				
Aged on the basis of due dates				
Not yet due	921,240	682,145	587,591	333,596
Past due				
Up to 3 months	188,851	225,399	105,252	117,952
3 - 6 months	4,414	9,368	2,038	5,038
6 - 12 months	4,566	2,040	1,767	1,939
Over 12 months	8,418	7,803	6,156	5,556
Total	1,127,489	926,755	702,804	464,081
Less: Allowance for doubtful debts	(8,351)	(8,199)	(5,785)	(5,787)
Total trade receivables - unrelated parties, net	1,119,138	918,556	697,019	458,294
Total trade receivables - net	1,119,138	918,556	869,258	747,629
<u>Other receivables</u>				
Other receivables - related parties (Note 2)	-	-	6,162	4,506
Total other receivables	-	-	6,162	4,506
Total trade and other receivables - net	1,119,138	918,556	875,420	752,135

4. Inventories

Movements of the reduce cost of inventory to net realisable value account during the three-month period ended 31 March 2018 are summarised below.

	(Unit: Thousand Baht)
	Consolidated / Separate financial statements
Balance as at 1 January 2018	9,183
Less: Decrease during the period	(2,300)
Balance as at 31 March 2018	6,883

5. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2018 are summarised below.

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	Assets on revaluation basis - land	Assets on cost basis	Assets on revaluation basis - land	Assets on cost basis
Net book value as at 1 January 2018	741,462	1,184,158	741,462	1,128,917
Acquisitions during the period	-	13,200	-	13,082
Disposal/write-off during the period - net book value at disposal/write-off date	-	(23)	-	(23)
Transfer out during the period	-	(6,177)	-	(6,177)
Depreciation for the period	-	(30,322)	-	(27,906)
Net book value as at 31 March 2018	741,462	1,160,836	741,462	1,107,893

6. Short-term loans from financial institutions

(Unit: Thousand Baht)

	Interest rate (Percent per annum)	Consolidated		Separate	
		financial statements		financial statements	
		31 March 2018	31 December 2017	31 March 2018	31 December 2017
Short-term loans from financial institutions	2.17 - 2.48	1,955,145	1,722,504	1,841,419	1,667,373
Trust receipt	2.70 - 3.41	98,065	173,886	98,065	173,886
		<u>2,053,210</u>	<u>1,896,390</u>	<u>1,939,484</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	
	31 March 2018	31 December 2017	31 March 2018	31 December 2017
Trade payables - unrelated parties	163,023	38,066	130,125	11,034
Other payables - related parties (Note 2)	-	-	13,708	12,912
Other payables - unrelated parties	54,724	49,138	51,283	45,830
Accrued expenses	42,598	58,633	31,199	44,595
Total trade and other payables	<u>260,345</u>	<u>145,837</u>	<u>226,315</u>	<u>114,371</u>

8. Provision for long-term employee benefits

(Unit: Thousand Baht)

	Consolidated	Separate
	financial statements	financial statements
Balance as at 1 January 2018	33,169	26,053
Add: Recognition during the period	1,597	1,436
Balance as at 31 March 2018	<u>34,766</u>	<u>27,489</u>

9. Income tax

Income tax for the three-month periods ended 31 March 2018 and 2017 are made up as follows:

	(Unit: Thousand Baht)			
	Consolidated		Separate	
	financial statements		financial statements	
	<u>2018</u>	<u>2017</u>	<u>2018</u>	<u>2017</u>
Current income tax:				
Interim corporate income tax charge	20,318	27,715	15,969	22,652
Deferred tax:				
Relating to origination and reversal of temporary differences	<u>253</u>	<u>304</u>	<u>316</u>	<u>(420)</u>
Income tax expenses reported in the statements of comprehensive income	<u>20,571</u>	<u>28,019</u>	<u>16,285</u>	<u>22,232</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. Commitments and contingent liabilities

11.1 Capital commitments

As at 31 March 2018, the Company had capital commitments of approximately Baht 5.4 million (31 December 2017: Baht 8.7 million), relating to purchases of machinery and computer system development.

11.2 Letters of credit

As at 31 March 2018, the Company had commitments under letters of credit with overseas suppliers amounting to approximately USD 0.3 million and EUR 0.1 million (31 December 2017: USD 0.1 million).

11.3 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.

(Unaudited but reviewed)

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	
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
Payable:				
In up to 1 year	9.5	9.4	2.7	3.4
In over 1 and up to 5 years	23.5	24.4	1.4	1.7
In over 5 years	24.8	26.2	-	-

(Unit: Million Baht)

	Separate financial statements			
	Related parties		Unrelated parties	
	31 March	31 December	31 March	31 December
	2018	2017	2018	2017
Payable:				
In up to 1 year	5.2	5.1	1.5	2.3
In over 1 and up to 5 years	22.1	21.9	-	-
In over 5 years	24.8	26.0	-	-

11.4 Guarantees

- (1) As at 31 March 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)

	31 March 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).

12. 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.

13. Foreign currency risk

As at 31 March 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	
	31 March	31 December	31 March	31 December	31 March	31 December
	2018	2017	2018	2017	2018	2017
	(Million)	(Million)	(Million)	(Million)	(Baht per 1 foreign currency unit)	
US dollar	0.83	0.26	1.45	3.69	31.1465	32.5987
Euro	-	-	1.38	1.38	38.2747	38.8704

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

14. Event after the reporting period

On 27 April 2018, the 2018 Annual General Meeting of the Company's shareholders approved the payment of dividend to its shareholders of Baht 0.39 per share, a total of Baht 257.4 million, which is to be paid in May 2018. This dividend will be recorded in the second quarter of the current year.

15. Approval of interim financial statements

These interim financial statements were authorised for issue by the Company's Board of Directors on 8 May 2018.