

Bangsaphan Barmill Public Company Limited
Review report and interim financial information
For the three-month period ended 31 March 2022

Independent Auditor's Report on Review of Interim Financial Information
To the Shareholders of Bangsaphan Barmill Public Company Limited

I have reviewed the accompanying statement of financial position of Bangsaphan Barmill Public Company Limited as at 31 March 2022, and the related 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 interim financial statements (collectively "interim financial information"). Management is responsible for the preparation and presentation of this interim financial information in accordance with Thai Accounting Standard No.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 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 No.34 *Interim Financial Reporting*.



Chonlaros Suntiasvaraporn
Certified Public Accountant (Thailand) No. 4523

EY Office Limited
Bangkok: 9 May 2022

Bangsaphan Barmill Public Company Limited**Statement of financial position****As at 31 March 2022**

(Unit: Thousand Baht)

	<u>Note</u>	<u>31 March 2022</u>	<u>31 December 2021</u>
		(Unaudited but reviewed)	(Audited)
Assets			
Current assets			
Cash and cash equivalents		211,478	678,164
Trade and other receivables	3	286,216	162,866
Inventories		671,283	352,194
Advance payment for purchase of supplies and spare parts		2,120	43
Input tax refundable		8,767	10,458
Other current assets		1,907	1,784
Total current assets		1,181,771	1,205,509
Non-current assets			
Property, plant and equipment	4	750,186	756,721
Right-of-use assets		4,349	4,745
Non-operating asset	5	-	-
Deferred tax assets		2,093	2,062
Other non-current assets		725	705
Total non-current assets		757,353	764,233
Total assets		1,939,124	1,969,742

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

Bangsaphan Barmill Public Company Limited
Statement of financial position (continued)
As at 31 March 2022

		(Unit: Thousand Baht)	
	<u>Note</u>	<u>31 March 2022</u>	<u>31 December 2021</u>
		(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	2, 6	23,142	66,977
Current portion of long-term lease liabilities		1,593	1,581
Income tax payable		3,448	684
Other current liabilities		564	731
Total current liabilities		<u>28,747</u>	<u>69,973</u>
Non-current liabilities			
Long-term lease liabilities, net of current portion		2,900	3,302
Provision for long-term employee benefits		10,324	10,172
Total non-current liabilities		<u>13,224</u>	<u>13,474</u>
Total liabilities		<u>41,971</u>	<u>83,447</u>

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

Bangsaphan Barmill Public Company Limited
Statement of financial position (continued)
As at 31 March 2022

(Unit: Thousand Baht)

	<u>Note</u>	<u>31 March 2022</u> (Unaudited but reviewed)	<u>31 December 2021</u> (Audited)
Shareholders' equity			
Share capital			
Registered			
1,121,175,000 ordinary shares of Baht 1 each		1,121,175	1,121,175
Issued and fully paid-up			
1,121,175,000 ordinary shares of Baht 1 each		1,121,175	1,121,175
Ordinary share premium		621,847	621,847
Premium on treasury shares		1,369	1,369
Retained earnings			
Appropriated - statutory reserve		113,250	113,250
Unappropriated		39,512	28,654
Total shareholders' equity		1,897,153	1,886,295
Total liabilities and shareholders' equity		1,939,124	1,969,742

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

Directors

(Unaudited but reviewed)

Bangsaphan Barmill Public Company Limited

Statement of comprehensive income

For the three-month period ended 31 March 2022

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

	For the three-month periods ended 31 March		
	<u>Note</u>	<u>2022</u>	<u>2021</u>
Profit or loss:			
Revenues			
Sales		345,437	552,895
Other income			
Others		786	556
Total revenues		<u>346,223</u>	<u>553,451</u>
Expenses			
Cost of sales		323,146	490,478
Selling and distribution expenses		3,191	5,834
Administrative expenses		6,251	5,966
Total expenses		<u>332,588</u>	<u>502,278</u>
Operating profit		13,635	51,173
Finance cost		(44)	(65)
Profit before income tax expenses		<u>13,591</u>	<u>51,108</u>
Income tax expenses	7	(2,733)	(10,260)
Profit for the period		<u>10,858</u>	<u>40,848</u>
Other comprehensive income for the period		-	-
Total comprehensive income for the period		<u>10,858</u>	<u>40,848</u>
Earnings per share			
Basic earnings per share		<u>0.010</u>	<u>0.036</u>

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

(Unaudited but reviewed)

Bangsaphan Barmill Public Company Limited
Statement of changes in shareholders' equity
For the three-month period ended 31 March 2022

(Unit: Thousand Baht)

	Issued and paid-up share capital	Shares premium	Premium on treasury shares	Retained earnings		Total
				Appropriated Statutory reserve	Unappropriated	
Balance as at 1 January 2021	1,121,175	621,847	1,369	113,250	57,440	1,915,081
Profit for the period	-	-	-	-	40,848	40,848
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	40,848	40,848
Balance as at 31 March 2021	1,121,175	621,847	1,369	113,250	98,288	1,955,929
Balance as at 1 January 2022	1,121,175	621,847	1,369	113,250	28,654	1,886,295
Profit for the period	-	-	-	-	10,858	10,858
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	10,858	10,858
Balance as at 31 March 2022	1,121,175	621,847	1,369	113,250	39,512	1,897,153

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

(Unaudited but reviewed)

Bangsaphan Barmill Public Company Limited
Cash flow statement
For the three-month period ended 31 March 2022

(Unit: Thousand Baht)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Profit before income tax	13,591	51,108
Adjustment to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation	7,296	7,559
Unrealised losses (gains) on exchange	.17	(188)
Provision for long-term employee benefits	367	362
Finance cost	35	47
Profit from operating activities before changes in operating assets and liabilities	21,306	58,888
Operating assets (increase) decrease		
Trade and other receivables	(123,350)	(247,362)
Inventories	(319,358)	113,796
Advance payment for purchase of supplies and spare parts	(2,077)	1,855
Other current assets	1,568	(245)
Other non-current assets	(20)	-
Operating liabilities increase (decrease)		
Trade and other payables	(43,835)	6,904
Other current liabilities	(167)	1,806
Cash paid for long-term employee benefits	(215)	(163)
Net cash flows used in operating activities	<u>(466,148)</u>	<u>(64,521)</u>

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

(Unaudited but reviewed)

Bangsaphan Barmill Public Company Limited

Cash flow statement (continued)

For the three-month period ended 31 March 2022

(Unit: Thousand Baht)

	<u>2022</u>	<u>2021</u>
Cash flows from investing activities		
Acquisition of equipment	(96)	(10)
Net cash flows used in investing activities	<u>(96)</u>	<u>(10)</u>
Cash flows from financing activities		
Cash paid for lease liabilities	(425)	(405)
Net cash flows used in financing activities	<u>(425)</u>	<u>(405)</u>
Effect of exchange rate on cash and cash equivalents	(17)	188
Net decrease in cash and cash equivalents	<u>(466,686)</u>	<u>(64,748)</u>
Cash and cash equivalents at beginning of period	678,164	530,833
Cash and cash equivalents at end of period	<u><u>211,478</u></u>	<u><u>466,085</u></u>
Supplemental cash flows information		
Non-cash transaction		
Transfer inventories to equipment	269	183

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

Bangsaphan Barmill Public Company Limited

Notes to interim financial statements

For the three-month periods ended 31 March 2022

1. General information

1.1 Corporate information

Bangsaphan Barmill Public Company Limited (“the Company”) is a public company incorporated and domiciled in Thailand. The Company is principally engaged in the manufacture and distribution of deformed and round steel bars. The registered office of the Company is at 28/1 Prapawit building, 8th Floor, Surasak Road, Kwang Silom, Khet Bangrak, Bangkok. Its plant is located at 8 Moo 7, Ban Klang Na-Yai-Ploy Road, Mae Rumphueng Sub-district, Bangsaphan District, Prachuabkirikhan.

1.2 Basis of 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 information in English language have been translated from the Thai language financial statements.

1.3 Significant accounting policies

The interim financial statements are prepared by using the same accounting policies and methods of computation as were used for the financial statements for the year ended 31 December 2021.

The revised financial reporting standards which are effective for fiscal years beginning on or after 1 January 2022, do not have any significant impact on the Company's financial statements.

2. Related party transactions

During the periods, the Company had significant business transactions with its related parties. Such transactions, which are summarised below, arose the ordinary course of business and were conclude on commercial terms and based agreed upon by the Company and those parties. There were no significant changes in the transfer pricing policy of transactions with related parties during the current period.

	(Unit: Million Baht)	
	For the three-month periods ended	
	31 March	
	<u>2022</u>	<u>2021</u>
<u>Transactions with related companies</u>		
Sales	-	1.3
Utilities expenses	9.7	9.9
Transportation expenses	0.8	1.0
Service expenses	0.6	0.6
Rental expenses	0.6	0.5
Management fee	0.2	0.2

As at 31 March 2022 and 31 December 2021, the balances of the accounts between the Company and related parties are as follows:

	(Unit: Thousand Baht)	
	31 March	31 December
	<u>2022</u>	<u>2021</u>
		(Audited)
<u>Trade payable - related parties (Note 6)</u>		
Related companies		
Sahaviriya Steel Industries Plc.	3,585	3,876
SVL Corporation Co., Ltd.	9	9
C.A.R. Service Co., Ltd.	253	24
Western Security Guard Co., Ltd.	204	204
Total trade payables - related parties	<u>4,051</u>	<u>4,113</u>

(Unaudited but reviewed)

Directors and management's benefits

(Unit: Thousand Baht)

For the three-month periods ended
31 March

	<u>2022</u>	<u>2021</u>
Short-term employee benefits	2,271	2,268
Post-employment benefits	45	53
Total	<u>2,316</u>	<u>2,321</u>

3. Trade and other receivables

(Unit: Thousand Baht)

	31 March 2022	31 December 2021
		(Audited)
Trade receivables - unrelated parties		
Aged on the basis of due dates		
Not yet due	280,127	156,306
Past due		
Up to 3 months	5,585	6,560
Total trade receivables - unrelated parties	<u>285,712</u>	<u>162,866</u>
Other receivable		
Other receivable - unrelated party	504	-
Total other receivable - unrelated party	<u>504</u>	<u>-</u>
Total trade and other receivables	<u>286,216</u>	<u>162,866</u>

As at 31 March 2022, the outstanding balances included post-dated cheques and notes receivable amounting to Baht 118 million (31 December 2021: Baht 142 million).

4. Property, plant and equipment

Movements of the property, plant and equipment account during the three-month period ended 31 March 2022 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 1 January 2022	756,721
Acquisitions during period - at cost	96
Transfers in during period	269
Depreciation for period	(6,900)
Net book value as at 31 March 2022	<u>750,186</u>

All land, buildings and machinery are mortgaged/pledged as collateral for credit facilities obtained from a bank. The beneficiary rights under the insurance policies for these mortgaged/pledged assets have also been transferred to the bank.

5. Non-operating asset

	(Unit: Thousand Baht)	
	31 March 2022	31 December 2021
		(Audited)
Non-operating asset - land	4,154	4,154
Less: Allowance for impairment	(4,154)	(4,154)
Non-operating asset - net	<u>-</u>	<u>-</u>

Presently, all legal cases relating to non-operating assets - land of the Company disclosed in the financial statements for the year ended 31 December 2021 are under consideration by the Court.

However, the management of the Company believes that the result of the litigation will not have any significant impact on the Company's operations and financial statements.

6. Trade and other payables

	(Unit: Thousand Baht)	
	31 March 2022	31 December 2021
		(Audited)
Trade payables - related parties (Note 2)	4,051	4,113
Trade payables - unrelated parties	12,684	61,400
Accrued expenses	6,407	1,464
Total	<u>23,142</u>	<u>66,977</u>

7. 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. Amounts accrued for income tax expenses in one interim period may have to be adjusted in a subsequent interim period of that financial year if the estimated of the annual income tax rate changes.

Income tax expenses for the three-month periods ended 31 March 2022 and 2021 are made up as follows:

	(Unit: Thousand Baht)	
	For the three-month periods ended	
	31 March	
	<u>2022</u>	<u>2021</u>
Current income tax:		
Interim corporate income tax charge	2,764	10,303
Deferred tax:		
Relating to origination and reversal of temporary differences	(31)	(43)
Income tax expenses reported in profit or loss	<u>2,733</u>	<u>10,260</u>

8. Segment information

The Company is principally engaged in the manufacture and distribution of deformed and round steel bars. Its operation is carried on exclusively in 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 or loss and assets as reflected in these financial statements pertain exclusively to the aforementioned reportable operating segment and geographic area.

9. Financial Instrument**Fair value of financial instrument**

Most of the Company's financial instruments are classified as short-term or have interest rates that are close to market rate. Therefore, the carrying amounts of these financial instruments is estimated to approximate their fair value.

10. Approval of interim financial information

This interim financial information was authorised for issue by the Company's Board of Directors on 9 May 2022.