

Bangsaphan Barmill Public Company Limited
Review report and interim financial information
For the three-month and nine-month periods ended
30 September 2022



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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 30 September 2022, the related statements of comprehensive income for the three-month and nine-month periods then ended, and the related statements of changes in shareholders' equity and cash flows for the nine-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: 7 November 2022

Bangsaphan Barmill Public Company Limited

Statement of financial position

As at 30 September 2022

(Unit: Thousand Baht)

	<u>Note</u>	<u>30 September 2022</u>	<u>31 December 2021</u>
		(Unaudited but reviewed)	(Audited)
Assets			
Current assets			
Cash and cash equivalents		503,851	678,164
Trade receivables	3	190,874	162,866
Inventories	4	451,104	352,194
Input tax refundable		13,299	10,458
Other current assets		5,836	1,827
Total current assets		<u>1,164,964</u>	<u>1,205,509</u>
Non-current assets			
Property, plant and equipment	5	743,960	756,721
Right-of-use assets		3,558	4,745
Non-operating asset	6	-	-
Deferred tax assets		4,328	2,062
Other non-current assets		725	705
Total non-current assets		<u>752,571</u>	<u>764,233</u>
Total assets		<u>1,917,535</u>	<u>1,969,742</u>

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

Bangsaphan Barmill Public Company Limited
Statement of financial position (continued)
As at 30 September 2022

(Unit: Thousand Baht)

	<u>Note</u>	<u>30 September 2022</u>	<u>31 December 2021</u>
		(Unaudited but reviewed)	(Audited)
Liabilities and shareholders' equity			
Current liabilities			
Trade and other payables	2, 7	24,156	66,977
Current portion of long-term lease liabilities		1,616	1,581
Income tax payable		-	684
Other current liabilities		2,789	731
Total current liabilities		<u>28,561</u>	<u>69,973</u>
Non-current liabilities			
Long-term lease liabilities, net of current portion		2,086	3,302
Provision for long-term employee benefits		10,426	10,172
Total non-current liabilities		<u>12,512</u>	<u>13,474</u>
Total liabilities		<u>41,073</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 30 September 2022

(Unit: Thousand Baht)

	<u>30 September 2022</u>	<u>31 December 2021</u>
	(Unaudited but reviewed)	(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	18,821	28,654
Total shareholders' equity	<u>1,876,462</u>	<u>1,886,295</u>
Total liabilities and shareholders' equity	<u>1,917,535</u>	<u>1,969,742</u>

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

Directors

(Unaudited but reviewed)

Bangsaphan Barmili Public Company Limited

Statement of comprehensive income

For the three-month and nine-month periods ended 30 September 2022

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

	Note	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
		2022	2021	2022	2021
Profit or loss:					
Revenues					
Sales		193,472	249,350	886,730	1,173,227
Other income					
Revenue from sale of scrap		-	-	6,608	5,057
Others		686	680	1,795	1,431
Total revenues		<u>194,158</u>	<u>250,030</u>	<u>895,133</u>	<u>1,179,715</u>
Expenses					
Cost of sales		197,121	226,107	833,112	1,049,046
Cost of sale of scrap		-	-	3,447	2,040
Selling and distribution expenses		2,945	2,095	10,494	12,780
Administrative expenses		6,398	5,853	19,043	18,455
Other expenses					
Factory overheads during production halt		6,159	14,109	13,220	14,109
Total expenses		<u>212,623</u>	<u>248,164</u>	<u>879,316</u>	<u>1,096,430</u>
Operating profit (loss)		<u>(18,465)</u>	<u>1,866</u>	<u>15,817</u>	<u>83,285</u>
Finance income		-	-	199	329
Finance cost		(96)	(106)	(186)	(265)
Profit (loss) before income tax expenses		<u>(18,561)</u>	<u>1,760</u>	<u>15,830</u>	<u>83,349</u>
Income tax revenues (expenses)	8	3,679	(398)	(3,239)	(16,791)
Profit (loss) for the period		<u>(14,882)</u>	<u>1,362</u>	<u>12,591</u>	<u>66,558</u>
Other comprehensive income for the period					
			-		-
Total comprehensive income for the period		<u>(14,882)</u>	<u>1,362</u>	<u>12,591</u>	<u>66,558</u>
Earnings per share					
Basic earnings (loss) per share		<u>(0.013)</u>	<u>0.001</u>	<u>0.011</u>	<u>0.059</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 nine-month period ended 30 September 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	-	-	-	-	66,558	66,558
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	66,558	66,558
Dividend paid (Note 10)	-	-	-	-	(100,906)	(100,906)
Balance as at 30 September 2021	1,121,175	621,847	1,369	113,250	23,092	1,880,733
Balance as at 1 January 2022	1,121,175	621,847	1,369	113,250	28,654	1,886,295
Profit for the period	-	-	-	-	12,591	12,591
Other comprehensive income for the period	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	12,591	12,591
Dividend paid (Note 10)	-	-	-	-	(22,424)	(22,424)
Balance as at 30 September 2022	1,121,175	621,847	1,369	113,250	18,821	1,876,462

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

(Unaudited but reviewed)

Bangsaphan Barmill Public Company Limited

Cash flow statement

For the nine-month period ended 30 September 2022

(Unit: Thousand Baht)

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities		
Profit before income tax	15,830	83,349
Adjustment to reconcile profit before tax to net cash provided by (paid from) operating activities:		
Depreciation	19,443	20,837
Reduction of inventory to net realisable value	11,070	276
Unrealised gains on exchange	(588)	(604)
Provision for long-term employee benefits	1,099	1,044
Finance income	(199)	(329)
Finance cost	94	132
Profit from operating activities before changes in operating assets and liabilities	46,749	104,705
Operating assets (increase) decrease		
Trade receivables	(28,008)	51,736
Inventories	(114,773)	167,302
Advance payment for purchase of raw materials, supplies and spare parts	43	(7,251)
Other current assets	(4,003)	(1,000)
Other non-current assets	(20)	-
Operating liabilities increase (decrease)		
Trade and other payables	(42,821)	897
Other current liabilities	2,058	5,148
Cash paid for long-term employee benefits	(845)	(1,369)
Net cash flows from (used in) operating activities	<u>(141,620)</u>	<u>320,168</u>
Cash received from interest income	199	329
Cash paid for income tax	(9,079)	(25,924)
Net cash flows from (used in) operating activities	<u>(150,500)</u>	<u>294,573</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 nine-month period ended 30 September 2022

(Unit: Thousand Baht)

	<u>2022</u>	<u>2021</u>
Cash flows from investing activities		
Acquisition of equipment	(702)	(30)
Net cash flows used in investing activities	<u>(702)</u>	<u>(30)</u>
Cash flows from financing activities		
Cash paid for lease liabilities	(1,275)	(1,215)
Cash paid for dividend	(22,424)	(100,906)
Net cash flows used in financing activities	<u>(23,699)</u>	<u>(102,121)</u>
Effect of exchange rate on cash and cash equivalents	<u>588</u>	<u>604</u>
Net increase (decrease) in cash and cash equivalents	(174,313)	193,026
Cash and cash equivalents at beginning of period	678,164	530,833
Cash and cash equivalents at end of period	<u><u>503,851</u></u>	<u><u>723,859</u></u>
Supplemental cash flows information		
Non-cash transaction		
Transfer inventories to equipment	4,793	2,051

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 and nine-month periods ended 30 September 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 30 September		For the nine-month periods ended 30 September	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Transactions with related companies</u>				
Sales	0.2	-	0.2	1.3
Utilities expenses	7.3	4.3	25.0	25.0
Manufacturing expenses	-	-	-	0.6
Transportation expenses	0.2	0.2	5.3	2.0
Service expenses	0.6	0.6	1.8	1.8
Rental expenses	0.6	0.5	1.7	1.6
Management fee	0.2	0.2	0.5	0.5

As at 30 September 2022 and 31 December 2021, the balances of the accounts between the Company and related parties are as follows:

	(Unit: Thousand Baht)	
	30 September 2022	31 December 2021
		(Audited)
<u>Trade payables - related parties (Note 7)</u>		
Related companies		
Sahaviriya Steel Industries Plc.	4,252	3,876
SVL Corporation Co., Ltd.	10	9
C.A.R. Service Co., Ltd.	13	24
Western Security Guard Co., Ltd.	204	204
Total trade payables - related parties	<u>4,479</u>	<u>4,113</u>

(Unaudited but reviewed)

Directors and management's benefits

(Unit: Thousand Baht)

	For the three-month		For the nine -month	
	periods ended 30 September		periods ended 30 September	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Short-term employee benefits	2,271	2,191	7,093	7,175
Post-employment benefits	45	53	134	158
Total	<u>2,316</u>	<u>2,244</u>	<u>7,227</u>	<u>7,333</u>

3. Trade receivables

(Unit: Thousand Baht)

	30 September	31 December
	2022	2021
		(Audited)
Trade receivables - unrelated parties		
Aged on the basis of due dates		
Not yet due	183,159	156,306
Past due		
Up to 3 months	7,715	6,560
Total trade receivables	<u>190,874</u>	<u>162,866</u>

As at 30 September 2022, the outstanding balances included post-dated cheques and notes receivable amounting to Baht 130 million (31 December 2021: Baht 142 million).

4. Inventories

(Unit: Thousand Baht)

	30 September	31 December
	2022	2021
		(Audited)
Inventories - cost	462,174	352,194
Less: Reduce cost to net realisable value	(11,070)	-
Inventories - net	<u>451,104</u>	<u>352,194</u>

5. Property, plant and equipment

Movements of the property, plant and equipment account during the nine-month period ended 30 September 2022 are summarised below.

	(Unit: Thousand Baht)
Net book value as at 1 January 2022	756,721
Acquisitions during period - at cost	702
Transfers in during period	4,793
Depreciation for period	(18,256)
Net book value as at 30 September 2022	<u>743,960</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.

6. Non-operating asset

	(Unit: Thousand Baht)	
	30 September 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.

7. Trade and other payables

	(Unit: Thousand Baht)	
	30 September 2022	31 December 2021
		(Audited)
Trade payables - related parties (Note 2)	4,479	4,113
Trade payables - unrelated parties	10,692	61,400
Accrued expenses	8,985	1,464
Total	<u>24,156</u>	<u>66,977</u>

8. 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 (revenues) for the three-month and nine-month period ended 30 September 2022 and 2021 are made up as follows:

	(Unit: Thousand Baht)			
	For the three-month periods ended 30 September		For the nine-month periods ended 30 September	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current income tax:				
Interim corporate income tax charge	(2,890)	(674)	5,505	16,789
Deferred tax:				
Relating to origination and reversal of temporary differences	(789)	1,072	(2,266)	2
Income tax expenses (revenues) reported in profit or loss	<u>(3,679)</u>	<u>398</u>	<u>3,239</u>	<u>16,791</u>

9. 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.

10. Dividends

Dividends	Approved by	Total dividends (Million Baht)	Dividend per share (Baht)
Interim dividend for 2022	The Board of Director Meeting on 8 August 2022	22.4	0.02
Total for 2022		<u>22.4</u>	

(Unaudited but reviewed)

<u>Dividends</u>	<u>Approved by</u>	<u>Total dividends</u> (Million Baht)	<u>Dividend per share</u> (Baht)
Interim dividend for 2020	The Board of Director Meeting on 26 April 2021	44.8	0.04
Interim dividend for 2021	The Board of Director Meeting on 9 August 2021	56.1	0.05
Total for 2021		<u>100.9</u>	

11. 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.

12. Approval of interim financial information

This interim financial information was authorised for issue by the Company's Board of Directors on 7 November 2022.